SOCIAL RESPONSIBILITY OF THE TOURISM BUSINESSES IN THE WESTERN CAPE PROVINCE OF SOUTH AFRICA

by

LISEBO AGNES TSEANE-GUMBI

Submitted in accordance with the requirements

for the degree of

DOCTOR OF PHILOSOPHY

in the subject

GEOGRAPHY

at the

UNIVERSITY OF SOUTH AFRICA

SUPERVISOR: PROF S E MINI

MAY 2015

Declaration

I _____ hereby declare that the dissertation I am submitting is my own personal work. I am submitting the dissertation to the University of South Africa for the degree of Doctor of Literature and Philosophy in Geography. This work is being submitted for the first time and will not be found at any other institution. The written work, pictures, graphs and tables presented that were created by any person other than the researcher are acknowledged.

Where necessary, paraphrasing was applied and referencing procedures were followed. The University of South Africa Research Ethics Policy was adhered to during the entire duration of the study. The university issued ethical approval to allow data collection.

Student signature: _____ Date: _____

Acknowledgement

I thank the Almighty God for giving me strength and patience in completing this dissertation.

Abstract

The purpose of this study was to investigate the developmental impacts of Business Social Responsibility (BSR) of the tourism industry in South Africa with a special focus on the Western Cape region. The study was based on the premise that little is known regarding the role and contribution of BSR of the tourism sector to the three critical challenges: poverty, unemployment and inequality that South Africa is facing. The effectiveness of South African tourism policies in guiding the industry and the extend of compliance were assessed. Extensive relevant literature was reviewed, providing a framework for the analysis and interpretation of the research findings. Different types of tourism businesses, 307 in total, were surveyed in the Western Cape Province using stratified sampling. Government tourism departments and community organisations were identified as the key informants. Mixed research methods were applied, allowing for various tools and techniques to be used. Research data was analysed using qualitative and quantitative techniques. The research findings were analysed and interpreted using theoretical realism and neoliberalism frameworks.

The findings indicated that the government developed a series of regulations and procedures to guide the tourism sector. Key role players and international investors design and implement BSR activities with complete disregard of intended community stakeholders. There is little or no significant participation in the design stage of intended stakeholders. Targeted communities are not able to raise critical issues largely because of poverty and unemployment. Though there are regulations such as B-BBEE, employment equity, BSR policies governing various tourism businesses have largely ignored these regulations. Attracting investors has been a major concern for the government with little concern of the nature of activities, impacts and their contributions on reducing the triple challenges in the country. This study contends that the current policies and regulatory frameworks are much too market friendly. Hence, the tourism industry has largely been able to implement policies that favours market goals. Some tourism BSR policies are aligned to the province's institutional framework while others are not, indicating a lack of sustainable

development. A model is proposed to improve the implementation of tourism BSR activities and policies.

Key terms:

Business social responsibility, globalisation, tourism policy, tourism development, socioeconomic, neoliberalism, stakeholder, critical realism, sustainability, politics

Table of contents

Table of Contents

List of tables

List of figures

List of acronyms

AA	Automobile Association
ACSA	Airports Company of South Africa
AICC	African Institute of Corporate Citizenship
AIDS	Acquired immunodeficiency syndrome
ANC	African National Congress
AR	Accountability rating
ASGI-SA	Accelerated and Shared Growth Initiative for South Africa
AU	African Union
BACSA	Business Against Crime South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BOP	Bottom of the pyramid
BP	British Petroleum
BSR	Business social responsibility
CAES	College of Agriculture and Environmental Sciences
CBD	Central Business District
CC	Corporate Citizenship
CDE	Centre for Development and Enterprise
CDPs	Community development programmes
CEE	Commission for Employment Equity
CFA	Confirmatory factor analysis
COCT	City of Cape Town Municipality
COP17/CMP7	The 17th Conference of the Parties to the United Nations Framework Convention on Climate Change
Cosatu	Congress of South African Trade Unions
CSI	Corporate social investment
CSR	Corporate social responsibility
CTRU	Cape Town Routes Unlimited
CTT	Cape Town Tourism

CWDM	Cape Winelands District Municipality
CWP	Community work programme
DA	Democratic Alliance
DEAT	Department of Environmental Affairs and Tourism
DRC	Dutch Reformed Church
EAP	Economically active population
EFA	Exploratory factor analysis
EIA	Environmental impact assessment
EPA	Environmental Protection Agency
EPWP	Expanded Public Work Programme
EU	European Union
FAO	Food and Agriculture Organization
FDEA	Federal Department of Economic Affairs
FDI	Foreign direct investment
Fedhasa	Federated Hospitality Association of Southern Africa
FIFA	Fédération Internationale de Football Association
FPL	Food poverty line
FTT	Fair trade tourism
FTTSA	Fair Trade in Tourism South Africa
GDP	Gross domestic product
GEAR	Growth, Employment and Redistribution Strategy
GGP	Gross geographical product
GRI	Global Reporting Initiative
GRP	Gross regional product
HERT	Heritage Environmental Rating Programme
HIV	Human immunodeficiency virus
IBL	Indonesia Business Links
ICCL	International Council of Cruise Lines
IEF	International Environment Forum
IFTO	International Federation of Tour Operators

IHRA	International Hotel and Restaurant Association
ISP	Industrial Strategy Project
ISO 14000	International Organisation for Standardisation
ISRDP	Integrated Sustainable Rural Development Program
IUCN	International Union for Conservation of Nature
JSE	Johannesburg Stock Exchange
KMO	Kiser-Meyer-Olkin
LBPL	Lower-bound poverty line
LED	Local economic development
MDG	Millennium Development Goals
MEDS	Micro-Economic Development Strategy
MNCs	Multinational corporations
MOU	Memorandum of understanding
MSA	Measure of sampling adequacy
MTN	Mobile telecommunication company
Naledi	National Labour and Economic Development Institute
NBI	National Business Initiative
NDA	National Development Agency
NDP	National Development Plan
Nedlac	National Economic Development and Labour Council
NEMA	National Environmental Management Act
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organisation
NGP	New Growth Path
NMMZ	National Museums and Monuments of Zimbabwe
NMSRT	National Minimum Standard for Responsible Tourism
NPC	National Planning Commission
OECD	United Nations Global Compact
OSHA	Occupational Safety and Health Administration
OTUs	Operational taxonomic units

PB	Performance-based
PCF	Principal component factor
PPPs	Public private partnerships
RDP	Reconstruction and Development Programme
RDS	Reconstruction and Development Strategy
RTD	Responsible tourism destinations
SA	South Africa
SAA	South African Airways
SAACI	Southern African Association for the Conference Industry
SAAPI	South African Association of Pharmacists in Industry
SAB	South African Breweries
SABC	South African Broadcasting Corporation
SANS 1162	SA National Standard on Responsible Tourism
SAT	South African Tourism
Satour	South African Tourism Board
SATSA	Southern African Tourism Services Association
SDIs	Spatial development initiatives
SLA	Service-level agreement
SMMEs	Small medium and micro-sized enterprises
SMTEs	Small, medium and tourism enterprises
SRI	Socially responsible investment
SPSS	Statistical Package for Social Sciences
TCD	Tourism Community Development Trust
TEP	Tourism enterprise development
TGCSA	Tourism Grading Council of South Africa
TNC	Transnational corporations
TOI	Tour Operators Initiative
TOT	Transfer of technology
TRC	Truth and Reconciliation Commission
UBPL	Upper-bound poverty line

UN	United Nations
UNEP	United Nations Environment Programme
Unesco	United Nations Educational, Scientific and Cultural Organisation
UNISA	University of South Africa
WBCSD	World Business Council for Sustainable Development
WC	Western Cape
Wesgro	Western Cape Investment and Trade Promotion Agency
WSSD	World Summit on Sustainable Development
WWF	World Wildlife Fund
WTO	World Tourism Organisation
WTTC	World Travel and Tourism Council
VOC	Dutch East India Company

Chapter One

Background of the Study

1.1 Introduction to the Study

According to the National Planning Commission's National Development Plan Vision for 2030 (2011), globalisation has increased complex relations with which all countries must contend. Mazilu (2011) states that globalisation has transformed the world into an enclosed space, while geographers describe globalisation as a spatial strengthening of the linkages between places and cultures, the increased global flow of products and services, and greater competition because of trade liberalisation (Sugiyarto, Bike & Sinclair, 2003; Mpofu, 2009). Globalisation promotes the activities of transnational corporations (TNCs) and multinational corporations (MNCs), which are becoming increasingly dominant in the tourism industry (Hjalager, 2007; Mpofu, 2009; Mazilu, 2011).

Tourism TNCs and MNCs are concentrating their economic power, leading to monopolistic and oligopolistic tendencies. These tourism businesses can promote their own policies and interests without considering the restrictions imposed by governments. In addition, they can force public authorities to oblige with certain operational practices (Peric, 2005; Mazilu, 2011). Peric (2005) refers to these big tourism businesses as agents of globalisation that can impose foreign tourism business practices and interests on host countries. Under such circumstances, these tourism businesses can influence the political environments of the host countries.

Furthermore, powerful tourism companies can suppress competing local small tourism businesses by influencing prices and other aspects of tourism operations. They may create an excess of wealth and cause self-enrichment and polarisation in certain tourism regions, while creating poverty in other parts of the country (Golja & Nižić 2010; Mazilu, 2011). According to Fig (2005) and Golja and Nižić (2010), the advantageous positions of some tourism businesses allow them to make enormous profits at the expense of the environment and the community, creating major social and environmental problems in the process. They use technologies that pollute the

land, air and drainage systems and have significant health implications for local communities while consuming large amounts of water and energy. Moreover, the application of bottom of the pyramid (BOP) marketing strategies is becoming popular among tourism businesses (Newell & Frynas, 2007). These tourism businesses invent products aimed at the world's poorest socio-economic groups. They argue that poor people do have disposable income but big tourism businesses do not target them.

The business social responsibility (BSR) imperative requires that businesses in general, and tourism businesses in particular, validate their existence and operations in developing countries. They must validate their presence in terms of not only job creation, community upliftment and tax revenue generation, but also environmental protection activities. They should justify their operations by making substantial contributions to the welfare of the broader social and political environments in which they operate. BSR provides the context for such broad-based tourism performance evaluation. This philosophy encourages tourism companies to integrate public welfare issues into their business operations (United Nations Environment Programme (UNEP), 2013).

Many businesses in South Africa now include BSR programmes in their operations, a development that has been growing since the first democratic elections in 1994 (Hamann, 2003; Juggernath, Rampersad & Reddy, 2011). However, the social, economic and environmental dimensions of BSR operations are not well known even by these businesses. Kasim (2004) and Golja and Nižic (2010) argue that the management and workers of these businesses seem unable to define and understand fully the exact indicators or variables for measuring BSR mandates. Thus, few of South Africa's tourism businesses (two per cent) are engaged in BSR initiatives (Van der Merwe & Wocke, 2007; Schwartz, Tapper & Font, 2008).

Tourism businesses should not exist as islands and concentrate only on making profits, but must also foster environmental protection and the social-cohesion and welfare of their employees and local residents. The level of commitment to BSR in South Africa's tourism industry is low (Van der Merwe & Wocke, 2007). Only twelve South African tourism businesses registered on the Johannesburg Stock Exchange

(JSE) during the World Summit on Sustainable Development (WSSD), which took place in Johannesburg in 2002 (Van der Merwe & Wocke, 2007). O'Dwyer (2003) attributes this to two factors. First, managers of tourism concerns tend to prioritise business profits while downplaying social issues. Second, there is a lack of government involvement in encouraging tourism businesses to expand their social activities or responsibilities. The emphasis on social responsibility lies in the concept of tourism businesses increasing incomes in a region while simultaneously creating a positive social impact. The two need not be contradictory. This is the basis of the theory behind tourism BSR (World Business Council for Sustainable Development, 2000; Albareda, 2008; United Nations Economic and Social Council (Unesco), 2011).

With tourism BSR becoming a requirement for numerous multinationals and national corporations, some social researchers now analyse economic performance indicators with non-economic issues in non-mutually exclusive ways. This comprehensive approach can benefit research communities in developing countries in particular. For decades, research communities in underdeveloped countries have had a tendency to measure the impacts of tourism business activities largely in terms of profits or annual job creation without assessing the impact of tourism business activities on communities' health care, education, and other human indicators. Researchers associated with this "business for profits only" model include Anshen (1980); McGuire, Sundgreen and Schneeweis (1988); Quazi and O'Brien (2000); and Jamali and Mirshak (2007). These researchers argue that tourism businesses' engagement in non-profit-making activities deflect them from their goal of job and wealth creation. They contend that involving tourism businesses in social and community development activities is a negative intrusion that could ultimately cause them to fail.

Against this model of "business for profits only" is the "BSR approach", which is gradually becoming popular and a crucial measure in the analysis of tourism business performance (Sharp, 2006). Thus, Fleetwood and Ackroyd (2004) and Nižic, Golja and Vodeb (2011) argue that tourism businesses should no longer follow the "business as usual model", but should rather reconceptualise the ontology of business in a wider social framework.

State policy and planning can influence the nature of tourism development in various locations (Hannam, 2002; Sillignakis, 2003). Under normal circumstances, tourism businesses do not incorporate non-profit considerations in their day-to-day operations. Governments are therefore increasingly being called upon in the formulation of policy guidelines that regulate the operations of the tourism business sector. This is particularly important in developing countries where tourism businesses, especially from Western countries, tend to exercise power over local governments (Peric, 2005; National Planning Commission, 2011; Zmyslony, 2011).

The governments of developing countries must assert themselves and promote pro-poor and pro-environmental tourism conservation programmes as part of the broader sustainable development promotion agenda through the institution of initiatives such as public private partnerships (PPPs), extended public works programmes (EPWPs) and community development programmes (CDPs). Lamy (2002), Mah (2004), Pickard (2007), Mazilu (2011) and Makalipi (2014) support and expand this position. In 2012, former Minister of Tourism in South Africa, Marthinus Van Schalkwyk further highlighted the importance of these kinds of initiatives, particularly PPPs (Department of Tourism, 2012). It is significant that some African governments, including that of South Africa, employ their mandates to ensure that some of the benefits of tourism business activities spread to certain sections of the population, particularly the disadvantaged (Van der Merwe & Wocke, 2007).

In this study, the researcher argues that the South African government and its public servants have a duty to regulate the tourism business sector to address underdevelopment and other legacies related to apartheid. Tourism BSR in South Africa could be an activity assigned to public officials, such as development planners, managers and administrators, especially those dealing with local economic development (LED) programmes (Robinson & White, 1998; Wixley & Everingham, 2002; Jastram, 2007). In Portugal, for example, BSR is the main incentive for the European Union Lisbon Strategy on Growth and Jobs. In Norway, BSR policies are integrated in the country's economic policies (Pickard, 2007). Tourism BSR is intended to promote sustainable development and reduce poverty, inequality, corruption and unemployment while improving business profit and public governance

(Blowfield, 2007). Although some tourism businesses engage in some of these activities, the levels of their achievements and outcomes remain unknown.

The researcher analysed the nature of BSR regulations for tourism businesses in the Western Cape to establish their potential to promote integrated sustained development. The argument in the study is that the potential impacts of a tourism BSR programme depends on how the stakeholders concerned address the regulations and implement them. That is, the concrete, long-term effects of a tourism BSR programme depends on the way the stakeholders concerned implement the programme. Thus, this study focuses equally on the nature of tourism BSR activities and policies and the regulations reinforcing those activities.

The researcher argues that this concept of BSR is of particular relevance for the development of the informal and rural sectors of the Western Cape Province because of their high levels of poverty. The rural population of the Western Cape, for example, comprises about fifty per cent of the provincial population. According to Ashley, De Brine, Lehr and Wilde (2007) and the Western Cape Department of Economic Development (2010), tourism BSR policies are expected to remain important tools for promoting the sustained development of the province.

The various informal sector and rural development programmes in the Western Cape provincial governments that have been launched since 1994 have not fully succeeded in transforming the living conditions of rural communities where poverty remains a major constraint on development efforts. This also applies to the whole of South Africa. Hence, BSR has become critical, and neither the government nor the tourism businesses should underestimate it. Linking formal tourism businesses with the government and civil society organisations' efforts to develop the provincial economy, for example, through the promotion of local economic development programmes (LEDs), would constitute an important initiative. Rogerson (1996) and Nel and Binns (2002), among others, argue that LED programmes need to be encouraged in the provinces of South Africa through the mechanism of tourism BSR.

Furthermore, one can better appreciate the rationale for this study through a historical examination of how and why the concept of BSR evolved over the decades in developed countries to bring together numerous stakeholders to the advantage of

both the tourism business sector and society. One theme in the tourism BSR discourse relates to the role various governments in developed countries have played in building relationships between stakeholders in the economic, political, environmental and social spheres. It is in this context that the role of the developmental state in developing countries becomes an important element in the social transformation process. The researcher argues that there is no guarantee that tourism businesses will pursue the interests of their social environments on their own and puts the onus for change on the shoulders of the provincial government to ensure that workers, consumers and the broader Western Cape community obtain maximum advantage from the activities of formal tourism businesses. The researcher is of the opinion that the provincial government needs to create opportunities for tourism stakeholders to interact effectively to spread the benefits tourism businesses bring.

Antonescu and Stock (2013) mention that from a geographical perspective, tourism is a phenomenon that expresses tensions and contractions between established central cities and marginal places, such as mountains, the seaside and the countryside. Zmyslony (2011) concurs, arguing that only the biggest and most powerful cities fully benefit from the globalisation of tourism because these are the most attractive and frequently visited destinations. In the context of the current study, the researcher analysed the distribution of tourism BSR activities across the province.

From a pragmatic perspective, it is logical that the Western Cape provincial government must encourage tourism businesses to incorporate the principle of social responsibility in their strategic plans. It is essential that the provincial government plays a critical role in regulating the activities of the tourism business sector to ensure tourism companies consider poverty, inequality, unemployment and other social and environmental problems to achieve the sustained development of the continent. The provincial government needs to take a particular interest in monitoring the impact tourism businesses make on addressing the challenges of the informal and rural sectors, which represent relatively large sections of the provincial population.

Important questions surrounding tourism BSR include: How are the provincial governments acting in this regard? What is the nature of the policies in place to regulate tourism business activities? How are tourism businesses complying with the regulations? What benefits are communities accruing because of the policy interventions? Such questions imply that major responsibilities in regulating the activities of tourism businesses to increase their levels of social responsibility while addressing the country's triple challenges of inequality, unemployment and poverty lie with the government.

1.2   The Triple Challenges South Africa Faces Twenty Years after the fall of Apartheid

Inequality, unemployment and poverty, the triple challenges South Africa faces, are the main concern of the post-apartheid government. This research recognises the need to understand the role and contribution of tourism BSR to poverty alleviation, employment creation and towards reducing inequalities, especially because it had been twenty years since South Africa's first democratically elected government came to power. The key questions in this study revolve around the role of the tourism private sector in reducing inequality, unemployment and poverty and the level of government intervention in addressing these challenges. The researcher investigated the extent to which the South African government implements pro-poor policies and their relevance to business activities in sectors such as tourism.

According to the Department of Labour in its report (2012), emphasis should be on the importance of formulating socio-economic policies with efficient coordination, implementation and monitoring by all stakeholders in a particular public and private sector. These should focus primarily towards addressing the triple challenges the country faces. Recently, the South African government introduced the New Growth Path (NGP) Framework in 2013 and National Development Plan (NDP) in 2012-2013 as guidelines to address these challenges. The NGP 2013 framework aims to reduce extreme poverty and hunger, and to promote gender equality to empower women (Department of the Presidency, 2013). The NDP's vision for 2030 is to reduce poverty and inequality in South Africa (Zarenda, 2013). The extent to which these

guidelines are successful in guiding the implementation of the social responsibilities of the tourism industry is a matter of investigation in this study.

However, Zarenda (2013) argues that the likelihood of these policies succeeding depends on the government's capability to ensure proper implementation and effective monitoring. Hence, the researcher investigated the extent to which the South African government's socio-economic policies are understood and implemented. The researcher emphasises that a more radical approach needs to be taken to address the problems of unemployment, poverty and inequality in the country. There is a significant need to address the triple challenges through mutual understanding, resilient partnerships and accountability between all tourism stakeholders.

1.2.1 Unemployment in South Africa Post 1994

In 2010, the report of the South African NGP recommended that it is possible to reduce unemployment by 10 per cent by 2020 while increasing job creation during the same period. The government has since 1995 implemented numerous policies, initiatives and programmes, such as the Reconstruction and Development Programme (RDP) and Growth, Employment and Redistribution Strategy (GEAR), to accelerate economic growth and increase employment. According to the Department of the Presidency (2013), the country is still experiencing high unemployment despite numerous government's interventions including the Expanded Public Works Programmes (EPWPs), Community Work Programmes (CWPs) and other similar initiatives. In addition, the South African government identified six job creation areas to reduce the level of unemployment in the country, namely green economy, infrastructure development, tourism, agriculture, mining and manufacturing.

In 2012 and 2013, the NDP was developed and adopted as a formal government plan. The main aim was to guide the country's social and economic development and to complement the NGP's objectives (Zarenda, 2013). The NDP has set an ambitious target to reduce unemployment from 27 to 14 per cent by 2020 and by a further 6 per cent by 2030. However, according to Cilliers and Camp (2013) and Zarenda (2013), the NDP's targets are unachievable without substantial economic growth. Cilliers and Camp (2013) are of the view that two scenarios might emerge

instead. First, unemployment, poverty and inequality will continue to increase and, second, government expenditure on employment intervention and private businesses' profits will grow and double annually. Cilliers and Camp (2013) believe the targets could still be met, but only if HIV/AIDS infections can be reduced and foreign direct investment (FDI) increased.

Cilliers and Camp (2013) contend that, considering the current low economic growth, the only sectors that have the potential to grow are education and infrastructure, and other sectors may not be able to meet the NDP targets. This poses a major problem in achieving the developmental goals of the country, particularly if the tourism private sector has little intention of assisting the government in its plans of unemployment reduction. Disparity between the skills offered by the population and the formal sector's requirements increases unemployment (African Development Bank, 2012). Currently, a significant gap exists between the skills potential tourism employees have and the skills tourism businesses require.

Managers, including professional workers, were in the highest demand in the country's labour force during the 2012/2013 fiscal year. During this period, unemployment was high among youths between the ages of 15 and 24 (52.9 per cent) and women (49.1 per cent). Although 199 000 jobs were recorded in the country, indicating an increase of 1.5 per cent from the previous year, this was below the targets set in the NDP and NGP (Department of Labour, 2012). Not enough jobs have been created and there are concerns about the quality of the few jobs that have been generated in the country. In addition, the public sector is currently the dominant employer because the tourism private sector is unwilling to increase its employment opportunities due to the Eurozone and local labour unrest (Cilliers & Camp, 2013).

South Africa is facing a major challenge in meeting its unemployment goals due to the present division of skilled and unskilled labour in the labour market. The amount of red tape surrounding employment in small tourism businesses in comparison to employment in large tourism corporations reflects the divided job market. Furthermore, workers in the three major economic hubs, namely Gauteng, KwaZulu-Natal and the Western Cape, have experienced a high number of job losses. The termination of contracts is the main cause of these job losses, and few people have

decent, long-term employment. In fact, most of the population has suffered long-term unemployment.

The Department of Labour (2012) identifies two possible causes of the 63 per cent rate of long-term unemployment in the country. First, the economy may not be creating an adequate number of job opportunities while the quality of jobs is also not desirable. Second, job seekers may lack the required skills and experience to fill the positions available. For instance, in 2012, 59.4 per cent of job seekers had not completed matric (Department of Labour, 2012). Many South African job seekers do not have the necessary skills required in various industries, including tourism (National Development Agency (NDA), 2012). Although the lack of skilled workers remains problematic, tourism businesses are hesitant to employ and train those who lack skills. The main fear is that once employees obtain training they may leave and work elsewhere (NDA, 2012). When this happens, tourism businesses view training as a waste of resources (Department of Labour, 2012).

Because the current labour market is characterised by unskilled labour and a lack of education, many South Africans cannot participate in advanced occupational categories, such as professional and management, including plant and operation management roles. Few South Africans complete their university education due to financial constraints. The Department of Labour (2012) mentions that most jobs available require tertiary qualifications. As a result, the unemployment rate amongst those who obtained tertiary qualifications is low, but, as indicated previously, graduates are most likely to be employed in the public rather than tourism private sector. Hence, unemployment is prevalent among the youth and women (Cilliers & Camp, 2013). Moreover, the Department of Labour (2012) concludes that unemployment in South Africa is increasing, especially among previously disadvantaged groups. According to the NDA (2012), measures must be implemented to address the problem of unemployment in the country, but these groups continue to be the most vulnerable in the economy, regardless of the numerous policies that have been introduced to reduce unemployment.

The Department of the Presidency (2013) and Statistics South Africa (2014) indicate that South Africa's unemployment levels are defined in two ways. The first is the

narrow unemployment level, which includes individuals who are unemployed but actively seeking work. The second is the expanded level, which refers to unemployed people who are available yet not seeking work. Currently, there are 6.8 million unemployed people in the country, and the National Planning Commission (NPC) plans to halve this number by 2030. Thus, if one applies the expanded definition, 3.4 million jobs should be created. If one applies the narrow definition, 2.2 million employment opportunities have to be created. The Department of the Presidency (2013) contends that leaving the unemployment challenge in the hands of only the government means that the EPWPs and CWPs have to create these jobs, which seems to be an impossible goal to achieve.

1.2.2 The Fight Against Poverty in the New Democratic South Africa

Poverty is difficult to define due to its multi-faceted character. Poverty is more than a lack of income and it includes social exclusion and deprivation in the workplace based on inequality, gender, race and ethnicity (Newell & Frynas, 2007). In South Africa, the poor are defined as those living below the poverty line; elderly people and young single mothers with inadequate family care and support; those experiencing food shortages and living in overcrowded accommodation; and people with a lack of access to basic energy sources, who are unemployed, lack security and/or have fragmented families (May, 1998). Woolard (2002) argues that poverty includes a lack of tangible resources, such as money and potable water, as well as intangible resources, such as self-respect, independence and security as well as inability to participate in tourism activities. In an effort to define poverty and address it effectively, three sets of poverty lines were identified in South Africa in 2012. Those who fall below the lower-bound poverty line (LBPL) spend their income on non-food items rather than food, and the NDP's target is to eliminate any poverty below this line by 2030. People who fall below the food poverty line (FPL) cannot buy enough food to consume a satisfactory diet. The upper-bound poverty line (UBPL) characterises people who can buy both non-food items and enough food to consume a satisfactory diet (Statistics SA, 2014).

According to Newell and Frynas (2007), many international organisations, including the World Bank and United Nations Organisation, recognise the role tourism BSR can play in alleviating poverty. Sharp (2006) argues that the study of human beings, anthropology, not only focuses on BSR activities of tourism businesses but rather on the tourism businesses' intended and unintended consequences that lead to a reduction in poverty. Unlike the unemployment rate, the poverty levels in South Africa have decreased since 1994. However, the poor living in rural areas (69 per cent) are still living in extreme poverty, even though sustainable tourism strategies such as rural tourism have been encouraged by the government. In 2011, there was approximately twice the number of people affected by poverty who lived in urban areas (31 per cent) (African Development Bank, 2012).

Numerous South African policies and programmes have attempted to address poverty. The Accelerated and Shared Growth Initiative for South Africa (ASGI-SA) aimed to halve poverty and unemployment, the Integrated Sustainable Rural Development Plan (ISRDP) focused on decreasing poverty and unemployment levels, and the NDP's goal is ensuring the eradication of extreme poverty and hunger (Newell & Frynas, 2007). However, these policy documents were not and still not properly integrated, lacked coherence and were fragmented. More relevant for this research is that these government programmes were not or still not integrated to tourism private sector development initiatives including tourism BSRs.

Poverty appears in numerous forms in South Africa. Leibbrandt, Wegner and Finn (2011) explain how racial division influences poverty. Historically, the majority of South Africa's poor were Black people because the country's apartheid policies excluded this group from formal employment and education. Regardless of government intervention through policies and programmes, such as affirmative action, most people living in poverty are still Black. In addition, South African women, especially female heads of households, live in poverty. Hence, the tourism industry potentially plays an important role in supporting the empowerment of women, especially those who live in rural areas.

Individuals who do not have access to basic services, such as water and electricity, also experience poverty. The South African government succeeded in fighting

poverty through the implementation of the RDP, abandoned in 1996, which ensured that the majority of the population receives basic services. However, the country is still facing an increasing number of protests and unrest during which communities fight for access to basic services. Little is recorded on the participation of the tourism businesses in assisting the government to implement its RDP policy document. The NDP identifies poverty as one of the priority concerns in South Africa and builds on the foundation laid by the RDP to address this issue. The current government is applying a social wage, which is a citizenship entitlement to accessing enough income for living, to alleviate poverty. This has been achieved through the provision of RDP houses, social grants, free education, health care, and free primary schooling and other services, such water.

Several factors, including an increase in social grant funding and distribution, have contributed to reducing the poverty level in South Africa. The number of people who receive social grants increased from 3 million in 2000 to 15 million in 2011 (Leibbrandt *et al.*, 2011; Statistics SA, 2014). The Presidency's Twenty Year Review of South Africa 1994-2014 (2014) indicates that 40 per cent of the poorest households, especially in rural areas, receive most of their income from social grants. From 2006 to 2011, the country experienced a decline in poverty from 57.2 to 45.5 per cent, as measured using the upper-bound poverty line (UBPL) (Statistics SA, 2014), and the poverty gap shrank for both UBPL and food poverty line (FPL) measurements in the same period. These successes can be attributed to the introduction of pro-poor policies and strong income growth, although debts have also increased. Moreover, an increase in the above-inflation wage, which fuelled formal housing growth and reduced inflationary pressure on households, assisted in poverty reduction. While the government has reduced poverty to a certain extent, the argument in this research study is on the lack of tourism businesses' involvement in poverty reduction programmes.

Although some progress has been made in reducing poverty, much still needs to be done by various private sectors including tourism to meet the country's Millennium Development Goals (MDG) 2015 targets. A strong strategic collaboration between the government and tourism private businesses could be the first step to consider. Woolard (2002) and Leibbrandt *et al.* (2011) identify race, gender, location and

13

inequality resulting from apartheid socio-economic policies, including labour market restrictions, as the main sources of poverty in the country. Additional sources of poverty include a lack of education, the prevalence of HIV infections, children-headed households, disability, unemployment and income scarcity, which are issues that require a holistic approach by all stakeholders.

According to Statistics SA (2014), to close the UBPL poverty gap of 19.6 per cent, an estimated R73.7 billion would be required annually, and closing the 6.3 per cent FPL gap requires R12 billion annually. These amounts exclude administration costs. The government, through the provision of social grants, has been mostly responsible for the reduction of poverty in South Africa. The researcher in this study aims to persuade the business sector, especially the tourism industry, to work with the government to achieve the goals of its poverty eradication programmes. The tourism industry is characterised by its low employment entry barrier and low skill requirements for performing most of the services needed. Thus, in the current socio-economic environment where young people are the majority of those who are unemployment and without matric, the tourism industry's business strategies need to be revised to incorporate the social challenges of the communities in which the tourism businesses are operating. This would not only assist in poverty reduction but would also encourage locals to trust the tourism industry and instil a sense of ownership in them.

1.2.3   The Perpetuation of Inequality in South Africa

South Africa is considered one of the most unequal countries in the world (Cilliers & Camp, 2013; Statistics SA, 2014; Presidency of the Republic of South Africa, 2014). Newell and Frynas (2007) explain that this is because of the country's apartheid legacy. Furthermore, Statistics SA (2014) indicates that although poverty levels have fallen, inequality remains a significant problem. According to the Department of the Presidency (2013), the increase in the unemployment rate and the unskilled labour force are the main sources of inequality in the country.

In addition, according to the African Development Bank (2012), the gap between the rich and poor is widening. Giampiccoli and Mtapuri (2014) argue that inequality in South Africa started during the 1980s and continues due to neoliberal policies. Rich

people are in the minority, but they are benefiting from neoliberal policies, which are biased towards individuals with political power and resources. In addition, there is a lack of enforcement of pro-poor policies aimed to reduce inequality. Inequality is felt in the share of national consumption. In 2011, the richest 20 per cent of the South African population accounted for over 61 per cent of consumption in the economy, whereas the poorest 20 per cent was responsible for 4.5 per cent.

Leibbrandt *et al.* (2011) contend that although the implementation of social policies has reduced poverty, there has not been much success in addressing inequality in South Africa. The researchers argue that racial motivation is less prominent than it was during apartheid, but gender inequality and, to a certain extent, racial inequality prevail. The Department of the Presidency (2013) identifies inequality within the areas of infrastructure development, services, welfare, employment, education and human settlement. Twenty years after the election of the first democratic government, economic rights and power are still in the hands of the minority.

In 2012, a White man earned six times more than a Black man, which can be attributed to apartheid policies that left Black people employed in low paying jobs in most cases. In the same year, it was found that the average monthly household income for African families was R3 000 and R7 000 for Coloured and Indian families, yet White households earned R20 000 (Presidency of the Republic of South Africa, 2014). The NDA Annual Performance Plan 2012/2013 (2012) indicates that among all the racial groups in the country, the household income of Black Africans was below the national average in 2011. According to the 2014 ANC Election Manifesto, the South African Constitution recognises every citizen's right to equality regardless of gender, racial background or any other factor. The various stakeholders in the growth of the country's economy are urged to take responsibility and be accountable for actions they perform that might promote inequality, poverty and unemployment.

The tourism industry remains one of the most unequal industries in South Africa because of its bias towards White employees and the international rather than domestic tourism market (Rogerson, 2006). Relatively few tourism businesses practice social, community-based, pro-poor, responsible or simply sustainable tourism. Tourism businesses that take part in pro-poor initiatives do so mainly for

marketing purposes, to qualify for government contracts or because demand from the overseas market forces them to do so. Moreover, the tourism industry depends on foreign investment, and few locals have the skills or resources to establish major corporations. The majority of South Africans in the tourism industry own small, medium and micro-sized enterprises (SMMEs), but although most local tourism businesses are SMMEs, power lies with the foreign investors (Tassiopoulos, 2009). Globalisation promotes further inequality, with local resources being exploited and local policies formulated to suit foreign tourism investors at the expense of local communities. Addressing South Africa's triple challenges thus requires new approaches, rethinking existing policies and a radical shift in the country's developmental models.

In this study, the researcher based the fundamental approach on the tourism industry's role in addressing the triple challenges the country faces and other social problems through the implementation of BSR. The Western Cape was used as the study area.

1.3 International Development Agencies and BSR in the Tourism Industry

This study is organised in terms of the policy guidelines and the actors who implement them. The guidelines, as indicated previously, comprise national and provincial governments' regulations regarding the BSR activities of tourism businesses. The following global organisations are involved in tourism in developed countries and some in the Western Cape Province: the World Travel and Tourism Council (WTTC), the International Hotel and Restaurant Association (IHRA), the International Federation of Tour Operators (IFTO), the International Council of Cruise Lines (ICCL) and the United Nations Environment Programme (UNEP). These international organisations, having recognised the necessity of BSR initiatives, are involved in implementing BSR principles in tourism businesses, with some playing a more significant role than others do. The Tour Operators Initiative (TOI) was established in 2000 with the assistance of Unesco, the World Tourism Organisation (WTO) and UNEP to promote the concept of BSR within the tourism industry (Schwartz *et al.*, 2008).

At the continental level, the African Union (AU) is involved in advancing the ideals enshrined in BSR (New Partnership for Africa's Development (NEPAD), 2001; AU, 2004; AU, 2014). During the 2010 Africa-France Summit in Nice, a business charter was adopted that complies with corporate social responsibility. The charter was introduced to the heads of state and government who attended the summit to emphasise the strategic importance of BSR for Africa in general. The presentation stressed a culture of BSR based on economic, social and environmental pillars (Africa-France Summit, 2010).

In South Africa, there are three sustainability guidelines related to tourism and the environment: the global reporting initiative (GRI), the SA National Standard on Responsible Tourism (SANS 1162) and the socially responsible investment index (JSE: SRI). The GRI is the worldwide reporting initiative for sustainable reporting, and countries use this framework to guide their sustainable projects. The SANS 1162 was established in 2011 for three main purposes: to bring a common understanding of the concept of responsible tourism to tourism stakeholders; to harmonise the various criteria presently used; and as a point of reference each tourism business should aspire to reach.

The JSE: SRI was established in 2004 with the main objective of identifying corporations listed on the JSE that comply with the triple bottom line approach (environment, economy and society) and report their sustainable activities. Pickworth (2013) mentions a reduction in the number of companies listed in 2013 due to strict requirements, particularly in the social spheres of HIV/AIDS and employee relations. Governance requirements were considered relatively improved due to widespread concurrence with the King III report. Herringer, Firer and Viviers (2009) mention several significant challenges facing SRI in South Africa. The main challenge is that the definition of SRI is unclear to both companies and investors, and the authors propose further discussions and debates about the meaning of SRI in the South African context. These debates should incorporate empowerment and sustainability concepts. In addition, exact SRI investment performance figures in relation to other business' assets are unclear, and the skills shortage negatively affects the implementation of SRI. It is difficult to define the extent and size of the country's SRI investment universe, while SRI research and information are limited.

Thus far, the researcher examined the main challenges South Africa's economy faces, the country's society and the environment within the current post-apartheid political climate. These challenges are emerging irrespective of the government's intervention through policies, guidelines and programmes. Moreover, the challenges are increasing regardless of the private sector's initiatives, such as the establishment of sustainable organisations and associations and the formulation and implementation of guidelines. This led the researcher to question the level of compliance with pro-poor policies instituted by the South Africa government and the government's level of commitment to ensuring and encouraging full participation by the tourism private sector. The researcher further questioned the extent to which the private sector, specifically the tourism industry, takes responsibility and is accountable for its business activities, thus becoming part of the solution to the challenges the country faces.

1.4   Research Statement of the Study

Although a number of businesses in the tourism sector have been established and initiated BSR initiatives, little is known of the extent to which their activities contribute to social, economic and developmental transformation. The effects of tourism BSR on stakeholders is unclear. Numerous tourism businesses are foreign-owned and, therefore, the type of development or social responsibility activities engaged in are foreign-designed development programmes. The extent of participation and role of local communities in conceptualisation and designing of BSR is subject to investigation. The nature and extent of participation of local communities in foreign-designed BSR could lead to greater dependency on part of intended communities. However, this is part of investigation in this research. Tourism foreign-owned businesses do not have long-term commitments to host destinations, hence their BSR initiatives lack sustainability. Locally owned tourism businesses lack the resources and capacity to engage in BSR while fearing to build relationships with large tourism businesses.

The extent and capacity of government institutions to encourage integration of tourism BSR and own a development initiative is part of research questions for this study. The role of the government in implementing tourism BSR is extremely weak,

especially in developing countries, and the legal structures related to BSR are poorly developed. Although most developing countries have legal minimum standards and requirements for BSR are in place, their enforcement is often limited. The researcher also investigates the social and economic power relations between tourism BSRs and government institutions policy implementations. Governments rely on foreign tourism businesses for investment, which sometimes compromises government policy formulation and implementation. In exchange for investment, governments tend to leave decision-making power in the hands of large foreign-owned tourism businesses, or governments may be forced to obey certain conditions or even effect changes to local laws. Consequently, the philanthropy approach dominates tourism BSR activities or tourism businesses become biased towards environmental activities.

1.5   Primary Aim of the Study

The primary aim of this research was to investigate the extent to which the BSR activities of the tourism industry contribute to the poverty alleviation, empowerment, employment and job creation and reduction of inequalities in the Western Cape. To achieve this aim the researcher investigated the nature and type of tourism BSR activities, the approach in their design and implementation. The extent to which all tourism business stakeholders, rather than shareholders only participated in shaping and structuring the tourism BSR activities received a major focus in this study. The level of, spatial distribution, size, nature and impact of tourism BSR activities in the Western Cape Province and their supporting explanatory mechanisms were analysed. This two-fold classification was used to demonstrate the relationships between outcomes and social explanatory processes. The purpose of this approach was to propose a development model to assess and evaluate the impact of tourism BSR as a framework for action.

1.6   Research Questions of the Study

- What is the extent to which the Western Cape tourism industry's BSR policies and initiatives contribute to poverty alleviation, reduction of unemployment and inequality while promoting empowerment?

- What are the key characteristics of Western Cape tourism activities in terms of their economic, social, environmental, spatial and other impacts?

- How are these related to broader provincial development plans or programmes?

- What is the nature of the Western Cape Provincial Government's tourism BSR policies?

- How can the tourism businesses in the province be classified based on their awareness of and adherence to the BSR policies?

- What are the problems facing the implementation of tourism BSR policies in the Western Cape?

1.7 The Study's Research Objectives

- To interpret and analyse the contribution of the Western Cape tourism industry' BSR policies and activities in relation to poverty alleviation, reduction of unemployment and inequality while assisting in the promotion of empowerment;

- To analyse the key characteristics of Western Cape tourism activities in terms of their economic, social, environmental, spatial and other impacts;

- To disclose how those characteristics are related to broader provincial development plans or programmes;

- To describe the nature of the Western Cape Provincial Government's tourism BSR policies;

- To indicate how the tourism businesses in the province could be classified based on their awareness of and adherence to the BSR policies;

- To discuss the problems facing the implementation of the tourism BSR policies in the Western Cape and make recommendations based on the findings.

1.8 Rationale of the Study

More than two decades after South Africa's first democratic elections in 1994, the tourism industry has been identified as a significant job creator that could bridge the social inequality gap in the country. Cape Town Tourism (2014) indicates that, between 2003 and 2014, six FDI projects were established in Cape Town's tourism

industry, with particular reference to the hotel sector. During this period, 955 jobs were created. In 2013, the number of international visitors in South Africa increased to 13 million (Zuma, 2014), confirming the industry's potential to alleviate poverty. Tourism presents opportunities for self-employment, which contributes to rural and urban development. It creates job opportunities through its multiplier effects and is becoming one of the leading and fastest growing sectors in the economy (Golja & Nižić, 2010; Bhaktawar & Van Niekerk, 2012; Muchapondwa & Stage, 2013). Muchapondwa and Stage (2013) argue that poverty alleviation and the extent of the poor's participation in the country's economy bear testimony to the attractiveness of tourism as a development tool. The current government hopes that tourism can reduce the inequality between privileged and unprivileged people in the development of the country.

During the apartheid era, few tourism businesses in South Africa were involved in or initiated socially responsible businesses programmes. Some industrial activities, which polluted the nearby residential areas, were located close to Black townships. Moreover, Black people were allocated the land that was unproductive and barren while workers' unions found it difficult to fight for the rights of the workers (Lund-Thomsen, 2005). Today, BSR in South Africa is taking place with the objective of establishing positive relationships between economic activities and social welfare (Lund-Thomsen, 2005; Visser, 2005; Juggernath *et al.*, 2011). South Africa is one of the African countries serious about business social responsibility, although the country is more biased towards Broad-Based Black Economic Empowerment (B-BBEE). Numerous businesses, including Aquarius Platinum Limited, Anglo/De Beers, Xerox, South African Breweries Beer Divisions (SAB), Barlows Limited, Spier Estate, CC Africa Lodge and Sun City, are engaged in BSR activities with local municipalities, communities and SMMEs (Luiz, 2002; Ashley *et al.*, 2007).

However, the adoption of BSR, in the local tourism industry in particular, is in its infancy (Tepelus, 2008), and there is a gap between businesses' claims and their actual BSR activities (Hamann, 2003; Fig, 2005). Since 1994, various state policies and regulations have been introduced to regulate South Africa's business sector, yet BSR participation remains questionable two decades later because the interpretations of BSR regulations differ among businesses (Hamann, 2003).

Numerous national government white papers contain BSR regulations. These include the Reconstruction and Development Strategy (RDS), 1994; the Growth, Employment and Redistribution Strategy (GEAR), 1996; the Trade and Industry Policy Strategy of 1996; the White Paper on the Development and Promotion of Tourism in South Africa, 1996; the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA), 2001; the Responsible Tourism Handbook, 2002; and the Broad-Based Black Economic Empowerment (B-BBEE) Guidelines of 2003 (Esser & Dekker, 2008; Butler & Suntikul, 2010; Juggernath *et al.*, 2011). In addition to these government policies and initiatives, various bodies, such as the Federated Hospitality Association of Southern Africa (Fedhasa), International Union for Conservation of Nature (IUCN), Fair Trade Tourism (FTT) and the Heritage Environmental Rating Programme (HERT), promote BSR ideals (Van der Merwe & Wocke, 2007).

The above considerations motivated the researcher to evaluate the nature of the South African tourism industry's BSR policies and the extent to which tourism businesses in the Western Cape comply with them. This necessitated an empirical study of tourism BSR to understand the relationship between the policies and the intended implementation agencies (tourism businesses). The study involved several issues, such as obtaining information regarding tourism companies' contribution to local area development, gaining access to important literature on the topic, and establishing the economic, social, environmental and geographical dimensions of the tourism businesses studied. Moreover, the researcher had to obtain information regarding the knowledge business owners, their workers and communities (including government officials) have about tourism BSR policies, the problems the tourism business sector as a whole is facing and the solutions that could be implemented to address those problems.

The researcher aimed to see this study play a significant role in increasing tourism businesses' knowledge of the role their businesses could play in making positive changes in society. The researcher wished to encourage relevant stakeholders in this project to consult this study to identify the key issues critical to the success or failure of their BSR implementation. In addition, government officials and others related to the tourism BSR projects could benefit from the study. Hamman (2003)

maintains that it is important for tourism businesses to be aware of a variety of BSR activities. Hence, the researcher aimed to provide a clear direction for implementing BSR activities while bringing awareness of the benefits of BSR to those tourism businesses that have not yet started practising it. In terms of these issues, neoliberalism, stakeholder and critical realist approaches proved to be relevant to the conceptual framework for this study.

1.9   Organisation of the Study

1.9.1   Chapter One: Background of the Study

Chapter One is the introduction to the study, and it presents BSR within the broader concept of the dialectics between tourism business profit maximisation and social welfare. The researcher included this section to provide a strong argument or case for the establishment of positive internal relations between tourism business operations and the broader environments in which businesses operate. A detailed examination of the triple challenges South Africa is facing is provided in this chapter, and it includes the justification for the study objectives in the context of the BSR paradigm and the study outline.

1.9.2   Chapter Two: Study Region – Western Cape Province

Chapter Two focuses on the study area of the study. The researcher provides a description of the study area in terms of important demographic, economic, social, and other variables. The researcher further discuses significant socio-economic background information related to the study region. The connections between tourism and economic, social, environmental and other variables in the province are discussed. Background information about the Western Cape Province, which clarifies the organisation of the tourism sector in the province, is provided in this chapter. The chapter further deals with the Western Cape Provincial Government's administrative policies that regulate the activities of tourism businesses in its sphere of influence. Insights into how the Western Cape Government provides opportunities and constraints to tourism businesses that operate in the province are provided, and the various challenges the province's tourism industry is facing are addressed. This

chapter verifies the importance of the BSR model as an important framework for sustainable tourism development.

1.9.3 Chapter Three: Conceptual Framework of the Study

The conceptual framework of the study is presented in Chapter Three. The conceptual framework is built on three theories (Neoliberal, stakeholder and critical realism) that were found relevant to the study's aims and objectives. A discussion of the increasing gap between the rich and poor is provided, and the researcher explores the lack of clear direction regarding the type and degree of tourism BSR implementation due to a lack of government intervention. The researcher further explores tourism business stakeholders' expectations of tourism business in accepting their responsibilities and being accountable for their actions. The chapter offers an understanding of the role of pro-poor policies and their implementation in influencing the behaviour of tourism businesses.

1.9.4 Chapter Four: Literature Review, Tourism Political Ideology: A BSR Framework

The review of literature related to this topic is divided into two chapters, and Chapter Four consists of the first section focusing specifically on the political ideology of tourism. It includes discussions about policy formulation and implementation, and the accountability of tourism businesses. Furthermore, a broad overview of policymaking and a discussion of the various South African socio-economic policies within the context of the country's apartheid regime and democratic era are provided. An investigation of tourism development in the country within the framework of sustainable development follows. Various policies and metaphoric issues, including the concept of globalisation and its relationship with tourism and sustainability, are outlined. The chapter concludes with a discussion of the development of tourism and its role in shaping socio-economic policies and issues in South Africa.

1.9.5 Chapter Five: Literature Review – Business Social Responsibility

Chapter Five is an extension of Chapter Four and addresses BSR in the context of the tourism industry. It enhances the literature review from the previous chapter with a discussion of the role of tourism businesses in promoting socio-economic policies. The researcher investigates the application of BSR to identify the role of tourism businesses in empowering the poor. The concept of BSR and its origin and evolution are discussed, and the interpretation and implementation of BSR in developing countries in general and South Africa in particular are highlighted. Furthermore, the role of the government in the implementation of tourism BSR is reviewed, and the different periods and regions outlined to indicate the various aspects of tourism BSR and the different ways in which it could be applied. The researcher addresses the types of tourism BSR theories and dimensions, and the approaches used in the implementation of tourism BSR policies. An analysis of the government's expected role in the implementation of tourism BSR is outlined, and the concepts of B-BBEE and CSI within the context of BSR in South Africa are examined. The chapter concludes with a discussion of the relationship between BSR and LED.

1.9.6   Chapter Six: Research Methodology

Chapter Six outlines the methodology of the study, including the data collection and analysis methods employed to achieve the objectives of the study and the justification of the research methods used. The sources of primary and secondary data, an examination of the validity of the informants used and the variables and research instruments are described in this chapter. Furthermore, the techniques used in the analysis of the data and insights regarding the challenges encountered during the data collection process and how these were addressed are discussed.

1.9.7   Chapter Seven: Presentation of the Research Findings

The empirical data findings are disclosed in Chapter Seven. The chapter contains the raw data of the study and a presentation of structural patterns, clusters and relationships in the findings. The researcher used graphs, tables and other techniques to illustrate some of the findings and to improve the clarity of the raw data. This is the first phase of the data presentation, and the findings of the study are

presented within the seven themes identified. The data in this chapter constitutes the raw materials for chapters Eight and Nine.

1.9.8 Chapter Eight: Quantitative Presentation of the Findings

In Chapter Eight, the researcher provides the quantitative presentation of the data and highlights the relationship between correlative variables. The main technique used involves multivariate methods, such as factor analysis. The general aim of this technique is parsimony, specifically the reduction of variables in a data matrix to forms that reflect the general patterns and characteristic of the variables. This analysis assisted in identifying the underlying factors in the tourism BSR implementation processes. Furthermore, the researcher discusses two factors associated with internal stakeholders and two associated with external stakeholders. To test the validity of the constructs (dimensions) in the questionnaire, Cronbach's alpha was applied. This assisted in determining if the individual questions contributed to the constructs as intended.

1.9.9 Chapter Nine: Analysis, Interpretation and Discussion of Research Results

This chapter offers a comprehensive analysis, interpretation and discussion of the findings of the study with respect to its theories and objectives. The structural pattern and clusters featured in Chapter Seven are extended and the data presented in Chapter Eight inform the meaning of the study's findings. The literature review from chapters Four and Five is used to interpret the findings. A conceptualised development model for tourism BSR impact assessment and evaluation was established as a framework for action.

1.9.10 Chapter Ten: Summary of the Findings

The presentation of the summary of the findings is provided against the objectives set out in Chapter One. A summary of the findings, based on the results emanating from both primary and secondary data, is presented.

1.9.11 Chapter Eleven: Recommendations and Conclusion

Chapter Eleven contains the recommendations and conclusion of this study. Recommendations based on the findings of the study are presented, and further research activities aligned with the current study are provided. The researcher provides the conclusions drawn from the findings and objectives of the study.

Chapter Two

Study Region – Western Cape Province

2.1   Introduction

Chapter Two provides important socio-economic background information about the study region to place the study in context. The researcher conducted the case study in the Western Cape because it attracts a large number of tourism businesses due to its popularity as a tourist destination. In South Africa, tourism contributes 14 per cent to the national gross domestic product (GDP), and the tourism industry in the Western Cape contributes 3.3 per cent of the province's GDP.

This chapter includes a presentation of employment rate and income statistics for different racial groups in the province to provide a clear indication of the socio-economic gap that exists within the study area. The economic activities of the Western Cape Province are discussed with an emphasis on the tourism industry's contribution to the province's economic growth. The researcher further examines the Western Cape's population in terms of demographic variables, such as age, level of education attained and employment status. A brief summary of information about the geographical dimension of the development of the tourism sector of the province follows.

2.2   The Geographical Features of the Western Cape Province

The Western Cape Province is situated in south-western South Africa, and its metro and gateway is Cape Town (Western Cape Government, 2002). The province consists of one metropolitan municipality and five district municipalities, as indicated in Figure 2.1. These are the City of Cape Town (the only metropolitan municipality), West Coast District, Cape Winelands District, Overberg District, Eden District and the Cape Central Karoo.

The province is further subdivided into 24 local municipalities. The West Coast District consists of Cederberg, Berg River, Saldanha Bay and Swartland. The Cape Winelands District comprises Witzenberg, Drakenstein, Stellenbosch, Breede Valley, and Langeberg. The Overberg District covers Waterkloof, Overstrand, Cape

Agulhas, and Swellendam. Eden District includes Kannaland, Hessequa, Mosel Bay, George, Bitou and Knysna local municipalities. The Central Karoo incorporates Laingsburg, Prince Albert and Beaufort West. The level of tourism performance in each of the local municipalities differs; hence, the contribution of tourism businesses and BSR activities differs. Some local municipalities attract more foreign investors and visitors than others do, a phenomenon discussed later in this chapter.

Figure 2.1: Map of Western Cape District Municipalities (Maps of World, n.d:7)

The Western Cape is the fifth largest province of South Africa in terms of population, with 11 million people living in 1 173 302 households (Statistics South Africa, 2013). This contributes to the area's significance to this case study and raises questions about the distribution of tourism BSR activities in the area because the majority of the population, 3.62 million people or approximately 63.9 per cent of the population, lives in the City of Cape Town Municipality. There are four main distinct ethnic groups: Coloured (50.2%), Black African (30.1%), White (18.4%) and Indian or Asian (1.3%) (Statistics South Africa, 2013; Western Cape Government, 2013). The researcher argues that out of these four ethnic groups in the province, the tourism industry is dominated by the minority group, White. The highest number of people (27.3%) is 15 to 27 years old and the lowest (5.2%) is 65 years of age or older. A total of 55.3% are Afrikaans' speaking, Xhosa speakers account for 23.7%, 19.3% speak English and less than 2% speak other languages (Statistics South Africa, 2013). Disabled people account for 4.1% of the population, with sight disabilities being the most prevalent. Only 34.6% of the population has completed high school.

An assessment of tourism BSR was carried out to determine the Western Cape tourism industry's ability to address the racial inequality, lack of education and disabilities that prevent numerous people from being economically active. The researcher found several factors, including the influence of cultural background on tourism BSR implementation and the province's performance in attracting visitors, important to explore. Both the urban- and rural-based tourism sectors are important in fighting poverty, inequality and unemployment in South Africa.

Between the six municipalities, the City of Cape Town Municipality and Cape Winelands Municipality attract the highest number of overseas visitors. These two municipalities are therefore appropriate for this study. In 2012, the Western Cape Investment, Marketing and Trade Promotion Agency (Wesgro) reported that the City of Cape Town Municipality received the majority (77.8 per cent) of the overseas tourism visitors. The Cape Winelands followed, hosting 54.8 per cent of these visitors. The rest of the municipalities are more popular in the domestic tourism market, although the City of Cape Town still dominates (Wesgro, 2012). The Eden District, particularly the Garden Route and West Coast municipalities, is more popular among domestic tourists; fewer local tourists visit the City of Cape Town.

Overall, the Western Cape is the most developed province in the country, attracting major tourism investments that constitute the basis for provincial economic growth processes. Thus, the contribution of the province's tourism industry to poverty reduction and other challenges the country faces were analysed. Tourism investments occur mainly where tourist activities are the most intense (Cornelissen, 2005). The Western Cape Province contributes ten per cent to the country's economy and is one of the top ten international tourist attractions (Western Cape Government, 2006). Currently, the tourism industry in the province is growing faster than that of the other provinces with the exception of Gauteng (Cornelissen, 2005). Like other coastal regions, the Western Cape significantly benefits from its coastal location (Statistics South Africa, 2013).

The Western Cape's popularity as a preferred area for business investment springs mainly from its geographical features. The province is characterised by beautiful mountains and coastlines that range from rocky to hilly (Statistics South Africa,

2013), and its natural beauty contributes to its popularity as a tourist destination. The province covers 129 462 square kilometres, approximately 10.6 per cent of the total area of South Africa (see Figure 2.2). The Atlantic and Indian oceans meet at Cape Agulhas, the province's southernmost point. The Western Cape stretches from north and east of the Cape of Good Hope, extending about 400 kilometres northwards along the Atlantic coast and 500 kilometres eastwards along the Indian Ocean coast. The province is L-shaped, as indicated in Figure 2.2, and borders on the Northern Cape in the north and Eastern Cape in the east.

Figure 2.2: Map of South Africa indicating the nine provinces (South Africa Info, 2012:9)

2.3   Western Cape Province Economic Activities

The Western Cape contributed 14.6 per cent to South Africa's GDP in 2013 (Statistics South Africa, 2014). In 2008, the province's contribution to GDP was R268.26 billion or 14.3 per cent, making it the third highest contributor. In 2006, the province's economy was the second fastest growing in South Africa after Gauteng, with 4 per cent growth. This resulted from a 30 per cent increase in gross regional product (GRP), which came from foreign trade (Western Cape Government, 2006). The Western Cape's tourism industry is growing faster and generating more jobs than that of any other province in South Africa, and one in ten people work in the

tourism industry (Tibane & Vermeulen, 2013). Considering the progress and growth in the province's tourism industry, the effect of tourism businesses on local communities is expected to be more pronounced than in any other province.

The largest sectors in the Western Cape's economy are the financial, business services, real estate and agriculture sectors; the agricultural sector contributed approximately R77 billion to GDP in 2008. Tertiary industries or the service sector, such as banks and tourism businesses, dominate the Western Cape's economy, making up 64 per cent of it compared to 59 per cent nationally. According to the Department of Economic Development and Tourism's Budget Vote Speech (2008), the Western Cape tourism sector contributed 14.08 per cent towards the gross geographical product (GGP) of the province. It contributes more than R25 million towards the province's economy (Tibane & Vermeulen, 2013). The Western Cape is regarded as a leading destination in South Africa's tourism industry (Bhaktawar & Van Niekerk, 2012), and it offers the strongest overall tourist product in South Africa (Western Cape Government, 2002). It comes second after Gauteng in attracting international markets (Cornelissen, 2005). Moreover, the province attracts more leisure tourists than any other provinces in the country. Its popularity stems from the abundant natural attractions it offers, which include two world heritage sites, namely Robben Island and Table Mountain (Western Cape Government, 2006). Its natural attractions and good climatic conditions also attract numerous foreign tourists.

In addition, tourism creates demand in other sectors. It generated R2.1 billion in the manufacturing sector, R2 billion in the transport, storage, and communication sectors, and R1.5 billion in the wholesale or retail, hotel and restaurant industries (Western Cape Government, 2006). The Department of Economic Development and Tourism's Budget Vote Speech (2008) indicated that the total economic contribution of the tourism industry in the Western Cape in 2005 was R25.2 billion, which is more than expected.

Nevertheless, the Western Cape performed poorly on employment creation, and employment declined in all sectors from 1999 to 2004. This raises interest in SMMEs and entrepreneurial development, training and education, as well as public works programmes (Micro-economic Development Strategy (MEDS), 2006). The absence

of the mining sector in this region further highlights an increase in SMMEs in the province. SMMEs can stimulate and orient the province towards economic growth and transformation (Western Cape Government, 2006). The Western Cape Government (2010) reports that the province has the second highest ratio of businesses per capita. In 2001, the province had 105 000 urban enterprises, which excluded unknown businesses located in rural areas. Entrepreneurial activity by unemployed people aged 15 to 65 is 19 per cent higher than South Africa's national average of 17.1 per cent (Statistics South Africa, 2010).

The prevalence of SMMEs in the Western Cape prompted the researcher to investigate the role and degree of the tourism industry's involvement in SMME development, training and education. The dominance of tertiary industries and the strong growth in the tourism industry in the province justify this study's focus on investigating the contribution of the region's tourism industry to BSR. Foreign tourism businesses, which are common in the region, are often accused of exploiting local labour, damaging the environment and overpowering local businesses. Although it is evident that the tourism businesses in the province have some negative effects on communities, there is a low level of awareness of and compliance with government microeconomic policies and regulations, and the BSR outcomes of the industry in this province remain unclear.

2.4   Social Services in the Western Cape Province

To understand the importance of tourism BSR activities and regulations in the Western Cape, it is important to explore the social services landscape of the province. The tourism BSR concept focuses on tourism businesses justifying their existence in the host communities. Identifying the roles various tourism businesses could play to ensure that all stakeholders benefit from tourism business activities is essential. Although the Western Cape is regarded as a leading tourist destination (Tibane & Vermeulen, 2013), the province faces some socio-economic challenges. At 18.6 per cent, the rate of unemployment is significant although lower than the country's average of 25 per cent.

As mentioned previously, approximately 11.2 per cent (5 822 734) of the South African population lives in the Western Cape (Statistics South Africa, 2013; Tibane &

Vermeulen, 2013). Thus, tourism businesses' BSR activities should be aligned to the province's population. The significance of the effects of tourism BSR lies in the number of stakeholders compared to the province' population. Moreover, BSR in this study is assessed against the racial background of South Africans in the province.

Of the unemployed people living in the Western Cape, 53.4 per cent are Black African, 43 per cent are Coloured, 3.2 per cent are White and 0.4 per cent are Indian or Asian. The group of employed people consists of 51.1 per cent Coloured, 33.9 per cent Black African, 14.8 per cent White and 0.3 per cent Indian or Asian people (Commission for Employment Equity (CEE), 2013). White people hold the majority (73 per cent) of top management level positions in the country, with the percentage of Black African people in management positions declining from 13.6 to 12.7 per cent from 2008 to 2010. Between 2010 and 2012, this figure further declined from 12.7 to 12.3 per cent due to an escalation in the number of Indian or Asian managers (5.7 to 7.1 per cent) in mostly the public sector (CEE, 2013). The number of Coloured people in management positions fluctuated until 2004, when the figure reached 4.6 per cent and remained stable until 2012.

The province has the highest education level in the country (Tibane & Vermeulen, 2013). The unemployment rate is the highest among Black African and Coloured people, and especially among Black African women (Western Cape Government, 2002; Western Cape Government, 2013). In general, there is racial inequality in the province's workplaces. Moreover, the Western Cape has the lowest prevalence of HIV/AIDS at 3.8 per cent, and the highest life expectancy at birth for both males and females (Statistics SA, 2014), which places the province in a strong position in terms of the availability local labour. Local labour could dominate the province's tourism industry labour force. However, the lack of skills in the labour force and the globally competitive economy are increasing the gap between the rich and poor. The tourism private sector should be aware of these problems and intervene. These are some of the issues deliberated in the application of tourism BSR as a strategy for unemployment and inequality reduction. Through the application of BSR, the tourism industry could reduce employment inequality, unemployment and poverty, especially in Black society.

Currently, there are significant income inequalities between racial and gender groups in the province. Almost 60 per cent of households earn less than R1 500 per month, and the median annual income of working adults aged 15 to 65 in the Western Cape is R18 703 (Western Cape Government, 2006). Males have a median annual income of R21 048 against females' R17 035, regardless of the fact that the province is home to more women than men. Black African people's median annual income is R12 213. It is R16 354 for Coloured, R42 803 for Indian or Asian, and R64 968 for White people. Some of the causes of this income inequality include lack of access to urban services and opportunities by the majority of the population in the province (Western Cape Government, 2002). Most communities from disadvantaged areas spend large amounts of money on transport due to the distances between their workplaces and residences (Western Cape Government, 2006). Meanwhile, the province's policies do not address all these problems. While the tourism industry is growing faster than in any other provinces, the poor communities in the province are becoming poorer. Tourism BSR activities, if they exist, do not address the real local problems, such as racial inequality in the workplace and the lack of access to transport.

In addition, the unequal spatial development pattern in the province causes a high level of poverty and unemployment. The Black African and Coloured communities in particular lack infrastructure development, housing services and basic amenities. Conversely, in the affluent White areas, the physical and social infrastructures are well developed. The Provincial Spatial Development Framework (2005) and Western Cape Government (2006) propose that facilities and services, such as residential, recreational and shopping facilities, transportation services and job opportunities, should be within walking distance (1 000 metres) of people's places of residence. The Western Cape Government recommends reducing travel costs and time as well as the facilitation of entrepreneurship activity to improve the economic growth of the province. Tourism businesses should be assisting the government in these areas through BSR. However, according to Statistics South Africa (2004), the province has superior access to social services in comparison to other provinces, and this may contribute to the lack of BSR commitment in the province's tourism industry.

The researcher in the current study aimed to challenge the tourism industry to make a meaningful contribution through BSR initiatives. Most government policies outline the main gaps and challenges local communities face, and tourism businesses need to approach BSR activities from this angle. The Integrated Tourism Development Framework for the Western Cape (Western Cape Government, 2002) highlights the pressure to achieve the economic empowerment and job creation planned by the province's tourism industry. The White Paper on Sustainable Tourism Development and Promotion in the Western Cape, published in 2001, focuses on issues concerning society and economy. These include the alleviation of poverty and community empowerment in the area. According to this document, the government concentrated on restructuring the tourism sector with an emphasis on spreading the gains from tourism activities, for example, through the promotion of local ownership of tourism businesses (Western Cape Government, 2001).

Nevertheless, the tourism industry in the province still has the highest unequal distribution of tourism ownership: only the elite are benefiting from the industry at the expense of poor communities. The Democratic Alliance (DA) (2013) tourism policy claimed to have instituted a programme for empowering local communities, broadening business ownership and creating opportunities for marginalised groups. However, it is not clear how the DA intends to ensure the involvement of the private sector in its initiatives. A relationship between various government political parties and businesses exists, yet this relationship does not address the communities' challenges.

The tourism industry has grown faster and created more jobs than any other industries in the province, but its level of benefits to locals is not sustainable (Western Cape Government, 2002; DA, 2013). The tourism industry contributes more than R25 billion to the province's economy (Bhaktawar & Van Niekerk, 2012), and one in ten employees in the province works in this industry (DA, 2013). The Western Cape Government (2002) and DA (2013) state that the ad-hoc planning models and lack of coordination among the stakeholders cause the province's difficulties in successfully implementing tourism projects, which has resulted in tourism businesses being unable to make informed decisions. The Western Cape Government (2002) agrees that there is an urgent need for the government to instil

confidence in the industry while encouraging tourism development in neglected areas.

An additional problem the province faces is that the national level opposition party, the Democratic Alliance, is in power. This political position, coupled with a perceived developed province in comparison with other provinces, affects its national government budget allocation and tourism BSR policies, resulting in a lack of funds for development. The implementation of the affirmative action programme remains questionable in the province because the Black African racial group has the highest unemployment rate (54 per cent). Therefore, this study investigated the degree to which the province's tourism businesses can be transformed to improve the living conditions of the poor Black population.

The Western Cape government, through implementing policies and regulations that govern tourism BSR, plays an important role in encouraging tourism development in urban areas and townships. BSR could be applied as a strategic intervention, and the province's government could provide infrastructure and incentives and build a strategic partnership with tourism businesses. Hamman (2007) points out that BSR can be fulfilled through partnership. In this way, each partner can concentrate on its complementary core competencies. Tourism businesses would focus on the provision of facilities and service delivery, and government would establish tourism policies and frameworks and develop infrastructure, while communities provide labour and NGOs expertise and auditing.

2.5   WC Tourism Industry 's Regional Development and Socio-Economic Inequalities

In the Western Cape, the regional distribution of tourism resources has followed existing regional imbalances. Like the rest of South Africa, tourism in the Western Cape is characterised by three key imbalances: unequal spatial distribution of tourism attractions and resources in the province, inequitable distribution of ownership of tourism resources (Western Cape Government, 2002; Cornelissen, 2005; Western Cape Government, 2006) and the shortcomings of the labour market as a result of apartheid policies and the current policies embedded in neoliberal theory. The province's tourism spatial distribution is reflected in the number of

visitors and the amount of tourism activity per district. Cornelissen (2005) contends that the geographical concentration of tourism activity, and concurrently its effect, is in the Cape Town metropolis, the Winelands and the Garden Route. The most popular attractions for foreign tourists are the Victoria and Alfred Waterfront, Table Mountain, Cape Point, the Stellenbosch Wine Route, Kirstenbosch Gardens, Robben Island and the Cape Garden Route. These attractions are located in or close to the Cape Metropolitan Area and the Cape Winelands and Garden Route District Municipalities.

Numerous communities are not benefiting from tourism resources due to the historic distribution of these resources. During the apartheid era, most communities were left incapacitated in areas such as skills development, land ownership and housing provision. This added to difficulties in distributing tourism products in several regions, including Black townships and the rural areas of the country. Cornelissen (2005) believes that the previous governments and the tourism private sector reinforced this skewed structure by increasing localised capital investments in the core areas. This is a challenge the current government needs to address (Cornelissen, 2005).

The Western Cape Government (2002) argues that identifying where tourism private sector investments have been made is a challenge. This hampers any form of partnership and/or strategic interventions in the form of infrastructure or facilitation and ensures that tourism private sector investment continues to create spatial polarisation patterns. Therefore, for the expansion of tourism resources to take place in other areas within the province, new models need to be developed. These need to include the maximisation of tourism resources through improved road infrastructure, the protection and preservation of natural, cultural and manmade resources, and the promotion of entrepreneurship training through mentorship and public tourism education programmes. All these factors address tourism BSR initiatives, and BSR should be encouraged in the province to improve the contributions of the tourism sector to sustained development processes and initiatives.

The Western Cape Government (2006) identifies several factors constraining tourism BSR performance in the Western Cape:

- The province's initiatives are somewhat limited and there is resistance to implementing BSR to deal with important issues due to self-righteousness caused by the previous success of and comfortable lifestyle that exists among middle and higher income earners. Those living in the suburbs do not understand and act upon social issues, such as the use of open toilets in the townships.

- The short- to medium-term performance of the rand affects tourism BSR budgeting. Tourism businesses see BSR as an external activity that should have a separate budget, hence the application of CSI.

- Stark differences, such as those caused by an increase in income and inequality in wealth, threaten social cohesion. In terms of neoliberalist policies, the economic winners are expected to empower those with lower income through initiatives, such as tourism BSR. Social cohesion could be encouraged through sports organised by tourism businesses.

- The crime rate is higher in comparison to other provinces and exceeds the national average. Instead of fighting poverty and unemployment, tourism businesses use their budgets for security purposes.

- The progress in regards to Black economic empowerment is slow, yet there is a steady growth in the number of African people in the province. B-BBEE is one of the components that can be added to form part of tourism BSR initiatives.

- There is an increase of in-migration, with two-thirds of migrants originating in the Eastern Cape rural areas and a large portion of the remaining third in foreign countries. This discourages many tourism businesses to continue with tourism BSR initiatives, yet indicates an even greater need for the industry to engage in BSR in response to increased migration. This is very important especially during this time that the country is facing a challenge of xenophobic attacks.

- The province is experiencing out-migration of young and skilled labour, which are needed to mentor locals entering the industry, to other provinces, especially Gauteng, and overseas countries. Retaining skilled labour could form part of tourism BSR initiatives.

- There is an increase of impoverished unemployed people in most of the province's urban areas, especially the Cape Town Metropolitan region, which is home to numerous foreign-owned tourism businesses.
- There is a perception that the province is better off compared to other provinces. This leads to a lack of tourism BSR support and subsidy from the national government, including at the interprovincial level and especially regarding capital funds for mega BSR projects and the development of infrastructure.

These points indicate the measures that need to be taken to link the tourism sector to other sectors in the provincial development process. They suggest that a gap exists between foreign-owned tourism businesses and poor communities, which hinders the application of tourism BSR (Western Cape Government, 2002; DA, 2013). The tourism BSR philosophy is based on the concepts of integration, mutual understanding, co-operation, participatory democracy, environmental conservation, ethics and social welfare. Business performance is no longer judged on a few indicators, such as profitability, and the BSR philosophy has become a principal framework for the formulation and implementation of development plans and policies (Hamman, 2007). Businesses are being called upon to apply this principle in their day-to-day operations. Tourism BSR carries tremendous advantages for society and the researcher seeks to demonstrate how tourism businesses in particular and Western Cape society in general stand to gain by embracing this model of development.

2.6 Business Social Responsibility and Tourism Development in the Western Cape

Tourism has the ability to encourage growth in the property market, particularly in major residential properties and clustered projects, while also boosting businesses growth through its multiplier effect. In addition, the tourism industry is the main contributor to employment and investment, including service diversification. Tourism in the Western Cape is flourishing due to the province's geographical setting and its unsurpassed beauty, which make it one of the top international tourist destinations. According to Statistics South Africa (2010), 50 per cent of international tourists

arriving in South Africa visit the Western Cape. In 2012, the province attracted 558 014 visitors. Moreover, while the province experiences fluctuations in domestic tourism, there has been an increase in international visitors from 2010 to 2012. The United Kingdom, Germany and the Netherlands are the top tourism markets for international visitors to the Western Cape. Tourists visit the province mostly from January to March and October to December. The 8 million local tourists that visit the Western Cape annually consists of tourists from other provinces (57.4 per cent) and from within the Western Cape itself. Of the total number of tourists, 40.3 per cent are from the overseas market and 1 per cent from African countries. The origins of the remaining 1.3 per cent are unknown (Wesgro, 2012).

An increased number of tourists to the province can have negative effects on society, the economy and the environment, and it means additional foreign tourism investments are required to meet demand. If investment is not controlled and monitored, foreign tourism businesses will monopolise the industry. Hence, the researcher argues that government should intervene and promote BSR, which could ensure that tourism businesses justify their existence in the communities in which they operate. In support of national tourism policies, the province introduced tourism BSR policy papers, strategies and frameworks to manage the growth of tourism and ensure sustainable development of tourism activities (Western Cape Government, 2006). These include the White Paper on Sustainable Tourism Development and Promotion in the Western Cape, 2001; the Integrated Tourism Development Framework, 2002; and the MEDS, 2006.

These strategies, the MEDS particularly, aim to improve the socio-economic welfare of the communities in the province in terms of the "Ikapa eliHlumayo", philosophy, which means "a home for all". It complements the national policy, ASGI-SA, on critical development issues, such as regulations regarding environmental conservation and aesthetics, as well as SMME development in the tourism sector (MEDS, 2006). Furthermore, the national strategy supports the three sustainability guidelines: the international sustainability reporting guideline or GRI; the South African sustainability guideline or JSE: SRI index; and the tourism-specific sustainability guideline, the SANS 1162 (SABS Standards Division, 2011).

Although the tourism industry in the province is performing well and several national socio-economic policies, including sustainability guidelines, have been established, there have been numerous calls from tourism consumers, local communities and the academic community for environmentally and socially responsible tourism practices. In response to this, various initiatives in the province aim to reduce the negative effects of tourism activities (Western Cape Government, 2001). These undesirable effects influence the economic, cultural, social and environmental sectors (Western Cape Government, 2006). The BSR model is one important framework that is being used as an assessment tool to measure the extent to which tourism activities can increase their positive effects and make a meaningful contribution to community development and social cohesion.

The Western Cape Provincial Tourism Department currently claims to support and play a major role in strengthening and expanding tourism BSR development, with planning taking several approaches, including CSI initiatives. South African businesses generally prefer the CSI concept to the BSR concept. Nonetheless, to achieve its BSR objectives, the department initiated a number of activities from 2010 to 2014 (Western Cape Government, 2010). These include developing an action plan for the implementation of a social entrepreneurship programme in the Western Cape, facilitating meetings and dialogues between tourism stakeholders, and facilitating provincial social entrepreneurship conferences.

According to the Western Cape Government's White Paper on Sustainable Tourism Development and Promotion in the Western Cape (2001), public authorities should investigate activities that negatively affect the tourism sector and recommend the appropriate amendments. The proposed strategies include the involvement of private sector bodies in formulating tourism policies and plans. Through regular meetings with the private sector, the plans seek to review strategic matters. These meetings are considered an important platform on which debates on vital tourism policy and strategy issues could be conducted. The strategy also promotes free commercial activities involving the deregulation of numerous undertakings to promote tourism development throughout the Western Cape. The theory of neoliberal, which advocates that unnecessary regulations should be limited as far as possible, is therefore well entrenched in these tourism development policies and plans (Western

Cape Government, 2001). However, the provincial white paper tries to promote the free market principle while ensuring that regulations exist to prevent profit maximisation excesses, unethical conduct, environmental damage and social inequalities. As such, the code of ethics in the form of tourism BSR principles is central to this study.

Tourism BSR aims to establish good practices that promote economic growth, human rights, environmental conservation and other issues critical to the development process. The United Nations World Tourism Organisation's Global Code of Ethics for Tourism (UNWTO, 1999), indicated in Table 2.1, is ideal for BSR programmes. It addresses issues such as health protection, conservation, and sustainable development (South African Department of Environmental Affairs and Tourism, 1996; Western Cape Government, 2001). The provincial authority adheres to the fundamental principles of a BSR-based tourism industry as indicated in Table 2.2. However, it has faced challenges in implementing most of its tourism BSR policies. The Western Cape Government (2006) states that there is a need to increase private sector support services, promote B-BBEE and expand the SMME sector.

Table 2.1: Global code of ethics for tourism BSR (Adapted from World Tourism Organisation, 1999 & 2001:3)

Tourism's contribution to mutual understanding and respect between people and societies
• There should be harmonisation of tourism BSR activities in the host country.
Tourism as a vehicle for individual and collective fulfilment
• Tourism businesses' BSR activities should promote human rights especially to vulnerable individuals, such as elderly people, physically disabled people, and ethnic and indigenous groups, while ensuring equity between men and women.
• Tourism businesses' BSR activities should avoid the exploitation and sexual abuse of human beings and rather involve the promotion of health and education.
Tourism, a factor of sustainable development
• Tourism businesses' BSR should strive for sustainable development and save important resources, such as energy and water.
• Environmental management strategies, such as carrying capacity, should be encouraged to control tourist and visitor flow during periods of paid leave and schools holidays.
• Tourism authorities should ensure that the infrastructure and tourism development complement and protect ecosystems and biodiversity, including endangered species.
Tourism, a beneficial activity for host countries and communities
• Host communities should gain the socio-economic benefits of tourism. The BSR activities of tourism should be carried out with the host communities in mind.
• The standard of living of the host communities should be taken into consideration when formulating tourism BSR policies. These policies need to incorporate the labour used in the industry.
Right to tourism

- The government must support and encourage social tourism through BSR to maximise the participation of the poor in tourism activities.
- Everybody should be encouraged to be involved in tourism activities, for instance, family members, young and old people, students and people with physical disabilities.

Rights of the workers and entrepreneurs in the tourism industry

- Under proper BSR supervision, the government should guarantee the rights of locals regarding salaries and type of employment.
- Tourism businesses' BSR activities should ensure that employees are given the right to continuous training and social protection while job insecurity is minimised and social welfare is considered for seasonal employees.
- Tourism BSR strategies should be in place to minimise the dominance of MNCs and TNCs in local businesses and the exploitation of local socio-cultural resources in exchange for investment and huge profits.
- Tourism BSR should encourage sustainable development through a good relationship and partnership between stakeholders.

Implementation of the principles of the Global Code of Ethics for Tourism

- Both the government and the tourism industry should come together in implementing and effectively monitoring tourism BSR

Table 2.2: The fundamental principles of BSR-based tourism in the Western Cape Province (Western Cape Government, 2001:21)

Social equity	Environmental integrity
- Everybody should benefit from tourism. - Social tourism should be promoted among physically challenged community members, the youth and disadvantaged groups. - The negative impacts of tourism on the society should be reduced.	- The Western Cape should regard the environment as the foundation of the province's tourism industry. - The environmental impact of all tourism plans must be carefully considered. - A thorough investigation of proposals in related sectors, such as agriculture and commercial and residential property markets, should be done to lessen any conflicts with tourism development. - The potential of tourism development needs to be considered during spatial development, including conservation plans. - The impact of water, visual, air and sound pollution should be reduced.
Economic empowerment	**Co-operation and partnership**
- Pointless laws and regulations should be avoided to ensure freedom in the industry. - Tourism stakeholders should incorporate other sectors to increase decision-making participation. - SMMEs and emergent entrepreneurs should be encouraged to participate in tourism development. - An attempt should be made to ensure significant facilitation of participation, including the businesses ownership of previously disadvantaged entrepreneurs in the tourism industry.	- A government policy framework on society, the economy and the environment should be in place to provide guidance. - The industry needs to take advantage of the policy framework to increase its investment and competitiveness in the hope of increasing its profits. - A high-quality service is expected from reputable tourism professionals who possess the necessary skills and are motivated and well remunerated. - The community at large should be encouraged to receive tourists in a hospitable manner and should be assisted in fulfilling a watchdog role with regard to their tourism resources. - Local communities should be encouraged to become ambassadors of their own tourism resources and the province at large.
Sustainability	
Through tourism, diverse opportunities, jobs and accessibility to productive resources should be achieved.	

• A resourceful relationship between the industry stakeholders, government officials and NGOs is important. • Conservation and protection of sensitive resources should be adhered to. • Local people need to be included in management and the mitigation of negative impacts of tourism at all times.	

The Western Cape Government (2001) contends that there has not been clear management and development of a combined policy and strategy, which has resulted in numerous components being uncoordinated and privately focused. The result has been a lack of planning and fragmented strategies that were unsuccessful in generating the desired effects, such as free enterprise, job opportunities and skills development for locals.

Since 1994, the development planning mechanism has become an important tool for regulating Western Cape tourism BSR development (Western Cape Department of Economic Development and Tourism, 2010). Although there is evidence that tourism BSR regulations are incorporated in the province's development plans, there is, however, some specific information that needs to be disclosed to the public. Are the tourism BSR regulations known and understood by the tourism businesses and the public? Are they being applied? Are they popular with the relevant tourism stakeholders? What are their effects and the problems faced in their implementation? What are the spatial dynamics in the distribution of tourism companies' BSR activities? The researcher in the current study evaluated the province's tourism-based activities by focusing on these questions.

2.7   Chapter Summary

This chapter provided background information about the Western Cape region that clarifies the organisation of the tourism sector in the province. Provincial governments have their own administrative policies that regulate the activities of businesses in their spheres of influence, and this chapter provided insights into how the Western Cape Government provides opportunities and constraints to the tourism businesses that operate in the province.

Although the tourism industry in the Western Cape has shown steady growth, numerous challenges need to be addressed. The researcher demonstrated that the BSR model offers an important framework within which a number of tourism-based questions can be posed and answered with great benefit to the development of the communities in the region.

Chapter Three

Conceptual Framework of the Study

3.1   Introduction

The theoretical approaches examined in this chapter have been identified for their diagnostic capabilities and the insights they provide for understanding and interpreting the tourism industry from developmental and BSR policy formulation perspectives. The purpose of this examination is not only to obtain deeper scientific insights into the socio-economic role and contribution of tourism BSR in South Africa but also to gain a clearer understanding of the role of the relevant tourism stakeholders. To achieve this, three theoretical paradigms have been identified and selected for their varied capabilities. Neoliberal, stakeholder and critical realism theories all derive from a broader socio-political economic theory. In this chapter, the researcher discusses the various theories relevant to the topic. The researcher investigated how the various models of development interpret BSR policies, rules and guidelines, as indicated in Figure 3.1 below.
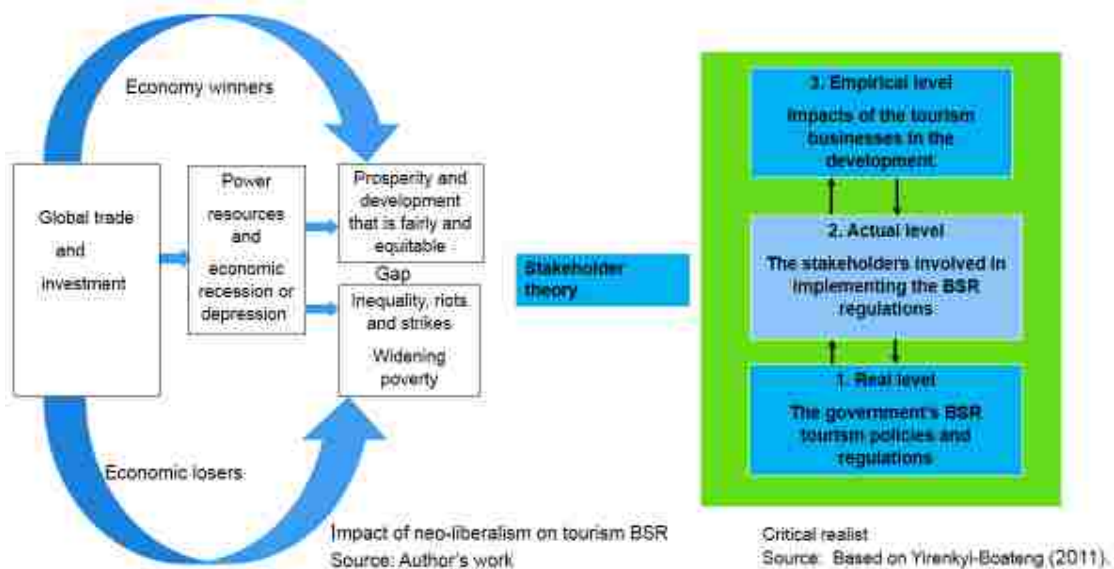
Figure 3.1: Theoretical framework for the study (Author's work)

3.2 Neoliberalism and BSR in the Tourism Industry

The analysis of tourism BSR is considered embryonic, which means that theoretical frameworks, measurements and empirical methods have not yet been resolved and therefore there is little consensus on these matters (McWilliams, Siegel, & Wright, 2006). As a result, although many theories have been developed, each of them is questionable to a certain extent. The researcher agrees with the view of Newell and Frynas (2007), who believe that tourism BSR's potential in poverty reduction should be evaluated in line with social conditions and principal politics. Figure 3.1 summarises the researcher's conclusions regarding neoliberalism, drawn from the conceptual framework used in this study.

Neoliberalism endorses individual power and determination to dominate and control resources with limited government interference in a market-driven economic environment. While those who possess and control the means of production achieve economic growth and development, socio-economic inequalities are intensified and exacerbated, especially in developing countries (Smith, 2012). Mah (2004) identifies neoliberalism as an ideological political agenda driving and promoting global tourism trade and investment. According to neoliberalist theory, the wellbeing of an individual progresses successfully by maximising freedom of entrepreneurship in the tourism industry (Harvey, 2006). The aim is to ensure that all citizens benefit from tourism economic agreement between countries, and the ideal situation involves achieving prosperity and development that is fair and equal to everybody (Bruckmayer, 2010).

3.2.1 Neoliberalism and Tourism BSR in Developing Countries

Harvey (2006) contends that South Africa embraced neoliberalism immediately after its first democratic elections, yet the country is still facing its triple challenges of poverty, unemployment and inequality. According to Bruckmayer (2010) and Giampiccoli and Mtapuri (2014), liberalised countries are expected to experience economic growth felt even by the poorest of the poor through the economic trickle-down concept. Giampiccoli and Mtapuri (2014) argue that in the South African mining and tourism industries, it is evident that both sectors are main economic sectors, but the questions remains as to who benefits most from these sectors.

The global and local history and development of neoliberal theory explain the current state of affairs to some extent. During the apartheid period South African tourism industry was confined to domestic tourism because of international sanctions against the country. However, the tourism industry included numerous large companies, such as the Protea, Southern Sun and Sun International groups. After 1994, the country made changes to its macroeconomic and tourism BSR policies, and there was a shift from RDP towards adapted neoliberal policies implemented through programmes, such as Growth, Employment and Redistribution Strategy (GEAR). Today, the South African tourism industry still has a high concentration of large companies resulting from the neoliberal policies adopted (Giampiccoli & Mtapuri, 2014). These large foreign-owned tourism businesses monopolise the tourism industry, while also contributing to leakage.

Figure 3.1 shows that that there is a gap between the rich and poor resulting from globalisation and free trade in tourism. This existed during the early development of neoliberalism, before the Second World War. Prior to the widespread adoption of Adam Smith's economic theories, economic life centred on social cohesion rather than free trade (Gray, 1998). Adam Smith, the British economist and the father of free-market capitalism, promoted the dismissal of government's interventions in economic issues, leading to an increase in free trade and investment in tourism. The free-market principle allowed price changes in the tourism industry without consideration of their effects on society (Gray, 1998). Capitalism ushered in a quest for economic power and domination of resources, while only partially promoting development (Schwenkel & Leshkowich, 2012; Tsukamoto, 2012). This brought about disparities between the rich and poor.

In addition, inequalities between the rich and poor have been increasing in phases promoted by the Great Global Depression that occurred between 1873 and 1895 (Mah, 2004). This global economic recession was considered the longest depression to date. In 1930, the Great Depression occurred, which was a major global financial depression (Mah, 2004). According to George (1999), the Great Depression of the 1930s changed the tourism business world and led to the introduction of Keynesian theory to eliminate income disparities. The result of this was more government involvement in health and education matters, including international regulations and

control of capital. Keynesian policies brought equalising effects between countries, even those that were colonised, while the elite and major tourism corporations experienced a decline in profits (George, 1999). The decline in profits led to the conclusion that Keynesian theory and policies should be reviewed, and what was so-called economic liberalism of tourism was revised to what is known today as neoliberalism of tourism. This allowed powerful nations and tourism corporations to continue accessing cheap resources and building their imperial empowers while developing countries continued suffering (Smith, 1994). Smith calls this "a reintroduction of mercantilism", a principle once proposed by Adam Smith (Smith, 2003).

3.2.2   Tourism BSR and Neoliberalism in South Africa

This section addresses the extent of tourism BSR and neoliberal policies in South Africa. Recently, during mid-2008, the tourism industry and the whole world experienced a global financial crisis because of neoliberalism. The key argument in this research therefore advocates governments' intervention in socio-economic policies to narrow the ever-widening gap between the rich and the poor. This can be achieved by considering the role of BSRs and monitoring the implementation of BSRs in tourism development and in local economic development. This may require a complete overhaul of existing policy framework and the existing government policy framework may be a critical constraint in achieving this. Yirenkyi-Boateng (2011) suggests that governments should manage the private sector's activities through BSR policies.

Neoliberalist theory further suggests that the results of global trade and investment have led to the creation of two different groups of people in South Africa: economic winners, who represent the tourism businesses, and economic losers, who represent communities, employees and other tourism stakeholders with an exception of shareholders. In this case, the expectation of government adapting neoliberalist policies is that the economic winners will compensate the economic losers in the long term. The current study investigated the extent to which tourism businesses compensate stakeholders rather than benefitting only powerful economic shareholders by assessing the implementation of BSR by the tourism industry. The

argument advanced in this thesis is that tourism businesses can only justify their existence through BSR activities by broadening their impacts to reach the marginalised and poor communities.

Tsukamoto (2012) asserts that the current pervasive political and economic relations between global tourism capital and local communities is attracting a great deal of attention from government, academia and industries. Additionally, Harvey (2006) mentions that neoliberal theory influences individual thoughts and the practices of political economy. The researcher supports Harvey's (2006) argument that the concern should not be about understanding the concept of neoliberal theory but rather the understanding of government's interests in pursuing neoliberalism and identifying the beneficiaries of neoliberal policies in the tourism industry (Harvey, 2006). This is important if there is any change in the manner; tourism businesses implement BSRs for the benefit of poor communities.

The liberal point of view is that through global tourist trade and investment, an economic trickle-down of wealth is possible. However, numerous questions remain, with the most significant of them relating to the type, degree and level of compensation made available to disadvantaged groups. Neoliberal theory encourages the reduction of public expenditure for social services and promotes individual responsibility instead. However, individual or tourism businesses' responsibilities are not clearly measured because of reduced government intervention (Amable, 2011; Dempsey & Robertson, 2012). As a result, some tourism businesses claim to be socially responsible while their involvement in BSR is questionable. Moreover, tourism BSR policies thus become essential for achieving sustainable development. In relation to the objective of this study, the economic trickle-down notion of wealth is assessed against the contribution of BSR towards the development of tourism in the Western Cape Province and general local economic development in this province

The conceptual framework of this study supports the view that a gap exists between the economic winners and losers. The neoliberalisation of the late 1970s has accelerated and widened the gap between the rich and poor, as indicated in Figure 3.1 (Gray, 1998). The gap is expected to widen as long as the social responsibilities

of tourism businesses are not seriously considered. Giampiccoli and Mtapuri (2014) mention that South Africa has experienced economic growth, yet poor people have not benefited. Instead, unemployment, inequality and poverty are becoming increasingly serious challenges. B-BBEE policy has also failed the poor, especially those previously disadvantaged. In the absence of socio-economic and tourism BSR policies, it is difficult to measure the effects of tourism BSR policies on stakeholders. Hence, it is important that tourism businesses' socio-economic policies are revised and the concept of BSR is addressed in connection with its type and degree of influence on stakeholders.

Smith (2003) notes that if the economic trickle-down of wealth is weak or non-existent, disadvantaged communities are likely to fight those with political and economic power. Twenty years after the 1994 democratic elections and the adoption of neoliberal policies, South Africa still suffers social instability. Poor service delivery and a lack of employment and basic infrastructure development persist, and many communities protest against poor service delivery (Van Vuuren, 2013). Municipalities, such as EThekwini, City of Cape Town and some areas in Soweto, are experiencing numerous service delivery protests indirectly resulting from neoliberal programmes (Van Vuuren, 2013). Tourism businesses win tenders but fail to deliver due to incompetency and a lack of resources, experience and monitoring (Makalipi, 2014).

Nevertheless, Steyn and Spencer (2011) argue that unlike other African countries, South Africa is not entirely characterised by deteriorating infrastructure and political and economic instability. Instead, the country is generally stable when compared to other African countries. The authors agree that electricity service interruptions and service delivery failure are the main challenges the country faces. Desai (2003) maintains that communities' dissatisfaction with government tourism neoliberal policies, is one of the main causes of communities' protests. The adoption of the GEAR macroeconomic strategy in 1996 introduced neoliberalism in the country. The GEAR strategy supports the role of government as facilitator of the free market. The South African tourism industry, through its White Paper on the Development and Promotion of Tourism published in 1996, supports the objectives of the GEAR.

Today the country's tourism industry embraces a government-led, private-sector-driven approach that promotes community's involvement.

Although growth in the South African tourism industry has a significant effect on local stakeholders, the global increase in tourism growth cannot be underestimated. Many countries are now investing in tourism and considering it a main socio-economic driver. These countries expect mainly positive effects of tourism on issues such as job creation, the development of enterprises and infrastructure (WTO, 2014). Large foreign-owned tourism businesses promote the development of tourism, but the globalisation of tourism has encouraged free trade between different nations, in which mostly the largest and most powerful tourism businesses make huge profits at the expense of local communities. Duffy (2014) argues that neoliberalism supports economic power and tourism is a vehicle in achieving such power if left unmonitored.

Despite the global recessions that have been occurring worldwide, the growth of tourism has not been interrupted (WTO, 2014). Duffy (2014) agrees to some extent and maintains that the tourism industry was also affected by the global recession, but for only a short time and currently the industry is recovering. The UNWTO (2014) indicates that international tourist arrivals were recorded to be 25 million in 1950. It increased to 278 million in 1980, to 538 million in 1995, and to 1 087 million in 2013. By 2030, the number of international tourist arrivals is estimated at 1.8 billion. This growth in the tourism industry is linked to neoliberalist global extension — many people are travelling overseas, leading to new emerging tourism destinations (Duffy, 2014; UNWTO, 2014). However, nature and culture are being destroyed to meet the increase in industry demand and growth because tourism promotes commodification to satisfy the needs of the customers (Duffy, 2014). For example, nature is reproduced to form tourist attractions: some animals are kept in zoos and other animals, such as elephants, are trained to interact with tourists to allow a few individuals to make a profit. Such actions are increasingly affecting host communities and local wildlife.

At present, a high unemployment rate and differences in wages and salaries characterise the country's work place. The 1996 census indicated that 3 per cent of national income went to the poorest 40 per cent of South Africans. The richest, who

comprise 10 per cent of the total population, earn over 50 per cent of the national income (Desai, 2003). In the absence of significant interventions by the South African government, the gap between the rich and poor is widening. The Black African middle and professional classes have grown and a small economic elite has been consolidated, allowing few to benefit from the new South Africa's neoliberal economic policies (Steyn & Spencer, 2011).

White-owned businesses continue to dominate the economy, especially in sectors such as tourism (Tassiopoulos, 2009). Black politicians benefit from tax concessions, decreased inflation and privatisation programmes, and minority groups benefit from the emergence of new export and investment opportunities in areas such as Asia and Africa. Furthermore, Black African professionals enjoy promotion in the workplace through the application of affirmative action quotas (Desai, 2003). Following revision of the Employment Equity Act, only those born prior to 1994, those born outside the country due to political exile, and those who become citizens due to their ancestry qualify for filling affirmative action posts. Moreover, Mini (2012) argues that private services, such as exclusive schools, golf courses and tennis courts, are currently benefiting only the rich citizens in the wealthy suburbs of South Africa. Meanwhile, the unemployment rate is high, with existing jobs being temporary, casual, contract or part time, especially in the tourism industry (Desai, 2003). All of these are the key issues contributing to the need for the tourism industry to engage in BSR as compensation for the economic losers.

In addition, Ramlall (2012) argues that the quality of life of all South Africans has not changed after more than a decade of democracy. Socio-economic oppression and the uneven distribution of resources persist even among Black Africans. This is regardless of the fact that improvement in quality of life for all is one of the key goals of the 1996 Constitution of the Republic of South Africa (Lund-Thomsen, 2005; Mini, 2012; Ramlall, 2012). According to Ramlall (2012), it is obvious that South Africa is confronted with unique socio-economic challenges because of its apartheid legacy. Juggernath *et al.* (2011) confirm that White people had preferential access to land and tourism business ownership, education and amenities during the apartheid era. Juggernath *et al.* (2011) and Ramlall (2012) further argue that the poverty and inequality resulting from apartheid policies shaped South Africa's uniqueness.

Today, the country is characterised as one of the most unequal societies in the world (Juggernath *et al.*, 2011; Ramlall, 2012).

White people are still enjoying the legacy of the apartheid regime due to lack of BSR implementation by many tourism businesses. The South African tourism industry is characterised by imbalance tourism business ownership, in which White people own most of the tourism businesses. Today, a large wage gap remains between tourism executives and ordinary tourism workers (Lund-Thomsen, 2005; Mini, 2012; CEE, 2012). The Job Reservation Act positioned White males in key decision-making positions in the government and tourism sector, and the dominance of White males is still felt today (CEE, 2012). Juggernath *et al.* (2011) and Ramlall (2012) argue that the Employment Equity Act of 1998 and the B-BBEE Act are the only two pieces of legislation that have made a significant contribution to shaping socio-economic conditions in South Africa. Esser and Dekker (2008) contend that in addition to these two pieces of legislation, the Labour Relations Act 66 of 1995 and the Promotion of Access to Information Act 2 of 2000 compel tourism businesses to consider their stakeholders' interests, hence the focus on the BSR concept in this study.

In current social contexts, tourism businesses constitute a source of ideological conflict between the business efficiency school and the business social responsibility school. The business efficiency school argues that the basis, or *raison d'être,* of business success lies in establishing effective relationships between business owners, workers, service providers and customers for the purpose of making profits (Sharp, 2006). This idea is commonly known as the model of extended reproduction or accumulation, in terms of which tourism businesses expand by employing workers to create surplus value to create new capital. This, in turn, is used to create further surplus value and further new capital, leading to a continuous long-term increase in the overall volume of capital.

Several positivist thinkers have developed theories related to the tourism business efficiency approach. Anshen (1980), for example, argues that "the business of business is business", which means that the goal behind the establishment of a tourism business must be to enrich the shareholders. It is remarkable that Anshen disregards the interests of customers in his conceptualisation of tourism business

stakeholders. This rather limited concept of the tourism industry and its shareholders has the major disadvantage of ignoring the wider social context in which tourism businesses actually operate. Numerous tourism companies have faced the wrath of local communities due to non-consultation on important issues, such as discriminatory employment policies and the destruction of natural resources, the closure of certain local amenities, environmental pollution and, above all, what locals regard negative socio-cultural impacts associated with the activities of the tourism companies concerned (Inskeep, 1999; Mason, 2007; Keyser, 2009). The most substantial weakness of the tourism business efficiency position is its separation of economic variables from political, environmental, cultural, technological, ethical and other wider regional issues.

3.3   Stakeholder Theory in Tourism BSR Implementation

The argument formulated for the study was further based on the stakeholder theory and BSR implementation as illustrated in Figure 3.1. A significant challenge in recent studies conducted in the region under study relates to the identification of the stakeholders needed to link the tourism business sector to the broader goals of the provincial sustainable development process. Hamann and Acutt (2003) are of the view that the agenda of tourism BSR is safeguarding urban and rural development, which is achieved through stakeholder partnership. The sustainable development theme is being used more frequently to measure progress in various human activities, and the tourism business sector is no exception. This change in the analysis of human activities stems from an increasing awareness of their interdependent nature. Analysing tourism businesses in the context of sustainable development involves the identification of key stakeholders who need to work together to produce identified and desired outcomes, which can be achieved through BSR. Stakeholder theory is important in South African tourism industry BSR because of the mistrust that exists between tourism businesses and civil society due to the legacy of apartheid (Hamann & Acutt, 2003).

Stakeholder theory states that tourism businesses should be responsible for their stakeholders in addition to their shareholders. Although shareholders are stakeholders, shareholders own parts of the tourism businesses through stock

ownership. Other stakeholders, such as employees, customers and the public, do not own stock in the tourism businesses but have an interest in the businesses' performance. Shahzad and Sillanpaa (2013) indicate that there is strong relationship between BSR implementation and stakeholder theory because it is easy for tourism businesses to meet their economic goals if they meet the stakeholders' needs through BSR investment. In this study, the theory was adapted to support the analysis of the capacity and level of participation of tourism businesses and the government in the implementation of BSR.

Valeriya (2012) and Jain (2013) contend that what constitutes the social responsibility depends on the beliefs and perceptions of tourism businesses and their stakeholders. The tourism businesses that support the classical approach, for example, support activities that ensure maximisation of profit, employment and tax payment. Conversely, the stakeholder view focuses on the effects of a tourism business on society. Valeriya (2012) asserts that the foundation of stakeholder theory lies in the concept that a tourism business should consider its influences more widely. The argument should not be whether tourism businesses engage in BSR activities, but should focus on the extent to which such activities affect stakeholders.

Stakeholder theory defines a stakeholder as any person or group of people for which tourism businesses should be responsible (Makandi, 2010; Jain, 2013). It includes individuals who influence or can be affected by the management process of the tourism business. Makandi (2010) argues that stakeholder analysis classifies tourism stakeholder groups, including their main areas of interests, while understanding their causes or influences on BSR activities. Jain (2013) argues that in terms of tourism BSR, the important factor is whether stakeholder analysis forms part of the need for tourism businesses to be responsible and, if so, to which tourism stakeholder. Based on the model that promotes tourism stakeholder identification, Jain contends that tourism businesses are likely to pay more attention to stakeholders that are powerful and important.

Therefore, what constitutes social responsibility depends entirely on the perspective of a tourism business and its stakeholders (Lindgreen, Kotler, Vanhamme, & Maon, 2009). Tourism businesses that value employee retention would probably focus on

their employees, and tourism firms that face marketing issues would prioritise reputation and focus their energy on customers instead. Moreover, if there were pressure issues, such as a concern for preservation and protection of the environment, a tourism business's stakeholder analysis would likely support such activities (Jain, 2013). Makandi (2010) maintains that an adoption of the stakeholder analytical approach could assist in the assessment of different tourism stakeholders' capacities to engage in BSR appropriately. The stakeholder approach holds that all stakeholders have rights to claim and demand from the tourism business, as shareholders do. Only the extent of these demands differs (Jain, 2013). The various tourism business stakeholders are indicated in Figure 3.2.
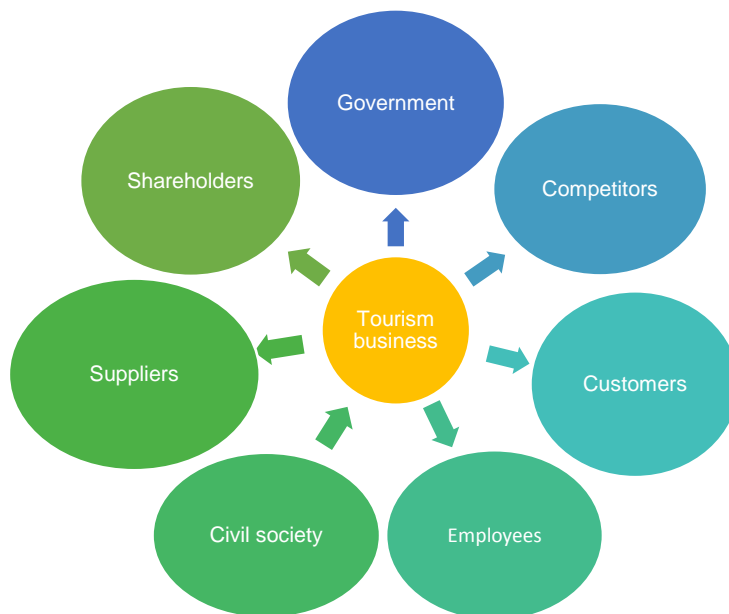
Figure 3.2: Stakeholder theory of the tourism business (Crane & Matten, 2007:59)

The stakeholder theory comprises three levels. The first is a tourism business's own resources, including employees, customers, suppliers and investors. The second level consists of those stakeholders that affect a tourism business's industry, for example, regulators, unions and joint venture partners. The third level is stakeholders in a tourism business's social and political environment, such as the government, community and NGOs (Valeriya, 2012). If a tourism business does not

have a good relationship with any of the stakeholders at each level, it negatively affects its level and type of BSR activities.

Unlike Valeriya (2012), Yirenkyi-Boateng (2011) explains tourism business stakeholders using a five-phase model. Figure 3.3 indicates the evolution of tourism business stakeholders, which takes place in five phases. The first two phases represent the primary stakeholders of the tourism businesses. These are customers, business owners and service providers. In these two phases, the focus of the tourism business is the safety of the business product, employment equity and opportunities, the safety of both employees and tourists, and fulfilling customer needs.

This undue focus on the selfish interests of business owners has been described as the first phase in the evolution of the tourism business stakeholder concept in developed countries. This period reflects the ideas of the eighteenth-century economist Adam Smith and is described as the micro phase of the conceptualisation of tourism business practices. Tourism business shareholders and how they managed to compete for survival in the context of social Darwinism were also investigated. American economist Milton Friedman (1970) is a contemporary academic who still prescribes to this theory. Authorities who share his views argue that tourism businesses have specialised in addressing finance, marketing, operations management and related issues, and should therefore leave non-tourism business activities to other institutions.
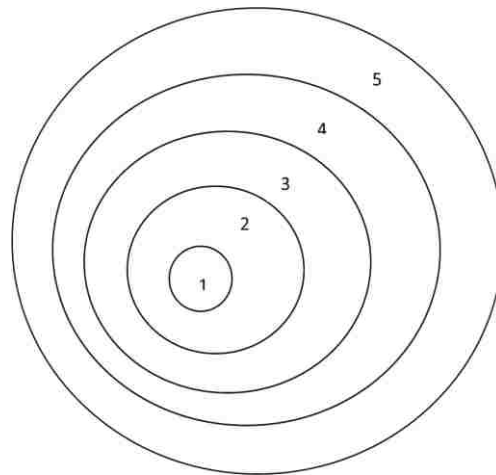
Figure 3.3: A five-phase model of the evolution of the tourism business social responsibility concept (Yirenkyi-Boateng, 2011:4)

Yirenkyi-Boateng (2011) argues that the stakeholder concept is relevant because the reality is that tourism businesses are unable to function if they are not considering customers and workers' welfare. This theory grew during the nineteenth century in Europe, where dialogues on the analysis of tourism businesses took place. It was during this period that Adam Smith's theory was condemned. Society realised the importance of tourism business stakeholders and that tourism businesses' profits and sustainability depend entirely on stakeholders. If stakeholders' interests are taken care of, tourism businesses are able to make profits. Consideration of stakeholders' interests represents the second phase of the five-phase model. During the early twentieth century, the focus on stakeholders' interests strengthened, which culminated in the United States government implementing some regulations, such as the Sherman Antitrust Act. This regulation was passed to ensure that United States tourism businesses consider their workers' welfare.

Phases three, four and five represent the secondary stakeholders, which comprise individuals or groups who do not have direct relationships with tourism businesses but are affected by the businesses' operations. These stakeholders include special interest groups and the public. The third phase reflects public complaints about social and ethical problems, including limited job opportunities and a lack of interest from tourism businesses in involving themselves in social services, such as the provision of water and electricity and job creation. One of the challenges the South African tourism industry faces in implementing BSR is the weakening of the private

and public partnership that currently exists. In response, the South African government maintains that tourism stakeholders should be included in the decision-making processes of tourism businesses (Yirenkyi-Boateng, 2011). These stakeholders include local community civic groups, which press for the employment of local labour in the tourism industry and request tourism businesses to engage in local welfare projects.

Phase four in the stakeholder evolution of tourism businesses relates to public concern over the activities of tourism businesses in particular and other businesses in general. During the 1960s and 1970s, these concerns centred on environmental problems, such as pollution. Tourism businesses in developed countries were requested to identify solutions and devote some of their business finances and other resources to solving the environmental problems resulting from their operations. Specialists in environmental management emerged during this period. They worked closely with various businesses in formulating business plans. At this level, there is more involvement from local and national government in regulating tourism businesses' activities. Newell and Frynas (2007) conclude that it is the role of the government, with the support of donors, and working with tourism businesses and civil society groups, to implement BSR successfully to alleviate poverty and achieve the Millennium Development Goals.

The last phase reports on the tourism business activities currently taking place in the era of globalisation. At this stage, international organisations and associations are strongly committed to BSR. The UNGC principles, as discussed in Chapter Two, deal with environmental challenges and human rights and are the consequences of these two issues. Today, the UNGC principles are used to measure the performance of numerous tourism businesses. The aim is to encourage tourism businesses worldwide to adopt sustainable development as well as social pro-poor policies and report their activities to the relevant local governments.

Several factors emerge from the above discussion of the evolution of tourism business stakeholder analysis using the five-phase model. First, five-phase model stakeholder analysis indicates that the majority of the model emphasises public response to certain problems emerging from tourism businesses' activities. Second,

each new phase adds to the previous one. Each of the phases provides a conclusion regarding different efforts employed by tourism businesses to practice sustainable development. Third, the practical application of the five-phase model in the planning and development of tourism is feasible and assists in identifying which stakeholders are required in pursuing the broader imperative of rural and informal sustainable development in the Western Cape and South Africa as a whole.

Sharp (2006) makes a reference to Rio Tinto Zinc's approach to its BSR stakeholders in South Africa. The top management team of the company is London-based and defines its stakeholders as all individuals affected by the company's operations. Conversely, the company's South African-based managers define the company's stakeholders as only the host communities within which the company operates. This shows that even the top management have limited influence on full BSR implementation or understanding of the term 'stakeholders'. Hence, government's intervention through policies and regulations is essential. However, according to Yirenkyi-Boateng (2011), any success in social responsibility depends on internal relationships between stakeholders.

Tourism businesses should consider customers, workers and service providers' interests and problems in promoting successful business growth and sustainability. Moreover, at local government level, tourism businesses need to remember that they cater to different complaints, problems and interests, which then become national concerns. Thus, tourism businesses should adhere to both local and national policies and regulations. Additionally, the challenges and problems at national level are intimately connected to imperatives at international level, hence the inclusion of level five in the business stakeholder analysis. The five phases should be considered as the main transformative events during which practical problem solving is being carried out.

Some of these stakeholders and their roles in relation to tourism development in the country are outlined in the 1996 White Paper for Tourism Development and Promotion. It indicates the role of tourism stakeholders on the third level, but is silent or unclear about stakeholders at both levels one and two. At level three, the role of the following stakeholders are identified: the government, communities and NGOs.

The South African government should further pursue the five main duties of the national government at provincial level. These are to facilitate safety and security concerns, promote incentives for the tourism private sector and ensure skilled labour and frameworks are in place to support sustainable development. Hamann and Acutt (2003) agree that the South African government should play an active role in building partnerships through incentives and regulating tourism BSR activities. The government should be coordinating tourism challenges and activities alike with all tourism role players.

The government is further involved in the formulation, monitoring and updating of national policies and strategies. The government should formulate appropriate guidelines and regulations for the development of tourism. Lastly, the provincial government is expected to promote equitable tourism development and the involvement of communities while encouraging responsible tourism and considering the increase of tourism impacts throughout the province. Additionally, provincial government is expected to formulate relevant tourism policies for the province, collaborating with national government for the implementation of national tourism policies.

Communities have a duty to pursue partnerships with tourism businesses and seek opportunities for skills development, training and incentives aimed at the development of tourism while also embracing social tourism. Furthermore, communities should support the promotion of responsible and sustainable tourism development. This can be achieved through representatives' participation in tourism planning, tourism BSR policy and the implementation of tourism BSR activities. The government should educate other tourism role players about the importance of community involvement in tourism development.

NGOs also have a major role to play in the development of tourism. They operate as intermediaries between the government, private sector and community. As such, NGOs should be involved in the formulation and implementation of socio-economic policies while assisting in the promotion of responsible tourism. Moreover, NGOs liaise with the government and private sector to promote community-based tourism, attract funding, involve the community in tourism and environmental awareness and

assist communities in implementing community projects. Hamann and Acutt (2003) advise South African NGOs to be more responsive to the global tourism BSR agenda and legislation to increase their bargaining power and rights.

The stakeholder theory indicates that tourism business stakeholders, such as employees, customers and suppliers, have certain roles to play. Although these are non-financial stakeholders, their withdrawal from tourism businesses' activities due to a lack of support from financial stakeholders may damage a firm's productivity and reputation. The tourism BSR concept is about stakeholder relations, which is what makes it particularly important in the analysis of development (Dodds & Kuehnel, 2010). Tourism BSR is a regulation requiring businesses to involve their workers and service providers in their activities, including involving the surrounding local communities and civil society organisations in day-to-day business activities. The main goal is to promote long-term sustainable development (Smith, 2003).

During the World Business Council for Sustainable Development's (WBCSD's) Stakeholder Dialogue on BSR held in 1999, a formal working definition for BSR was developed as businesses' continuing commitment to behave ethically and contribute to economic development. The definition also included improving the quality of life of the workforce, employees' families, the local community and society (Cowper-Smith & De Grosbois 2011).

3.4   Critical Realism Theory and Tourism BSR

A research project on tourism BSR requires an approach that takes the role of relationships seriously. In this connection, the researcher evaluated different frameworks of relationships to understand the socio-economic relations of tourism BSR using critical realism as the conceptual framework for this part of the research.

Conceptualisation is one of the hallmarks of the critical realism philosophy. Its approach is based on the idea that social objects exist by virtue of the relationships they enter into with other objects (Sayer, 1992, 2000). This research approach relates directly to the philosophy behind the tourism BSR concept. Therefore, it constitutes the theory and methodology of this study. Unlike other research approaches that focus merely on parts of social reality or ontology, the critical

realism approach pays particular attention to holistic conceptualisation by incorporating all stakeholders who contribute to the existence of certain social entities. The tourism BSR approach to business analysis carries enormous potential for long-term business success because of the concern it shows about the welfare of all stakeholders. By highlighting the welfare of all stakeholders, the tourism BSR approach promotes the concept of integrated development.

Whether a particular tourism BSR programme has the potential to promote development, however, depends first on how the particular programme is structured. Thus, different models of tourism BSR may be formulated depending on the wealth of ideas in the minds of those assigned the responsibility of the project (O'Riordan & Faitbrass, 2006). Newell and Frynas (2007) believe that various tourism BSR models affect the different types of poverty. Hence, in this study, efforts were made to analyse the nature of the tourism BSR regulations that apply to the tourism businesses in the Western Cape to determine their potential to promote integrated development.

Moreover, the possible effects of a tourism BSR programme depend on how the stakeholders concerned interpret the regulations. The critical realist approach indicates that stakeholders tend to view guidelines through different lenses to suit their particular mindsets. The concrete, long-term impacts of a tourism BSR programme thus depends on the way the stakeholders concerned implement it. Blowfield (2007) observes that tourism businesses should avoid presenting their case studies that emphasise output rather than outcome when they adopt MDGs. The outcomes should differentiate tourism businesses that practice BSR from those resisting it. Therefore, the researcher paid equal attention to the nature of the guidelines associated with particular tourism BSR programmes and the way stakeholders adhere to them. The critical realist approach recognises that agents have some freedom to relate to guidelines differently to produce different outcomes. As a result, the researcher applied the critical realism approach as a framework in evaluating the regulation of BSR in the tourism businesses studied.

The theory of critical realism is understood to have been established as a substitute for two theories, namely positivistic models and postmodern theories (Carlsson,

2005). Although critical realism is a social theory, Fleetwood and Ackroyd (2004) argue that it differs from positivism, empirical realism, scientism or naive realism. Critical realists view the 'real' as material, or physical things. In other words, they view rivers, lakes, houses and cars as real, but thoughts, opinions, perceptions and dialogue as unreal (Fleetwood & Ackroyd, 2004). If something has an effect or makes a difference, critical realists considered it real. People's reactions can change because of being in contact with rivers and cars because rivers and cars are real. Fleetwood and Ackroyd (2004) identify four entities of the real: the material, ideal, artefactual and social:

i. Materially real or conceptually mediated entities refer to objects or bodies, such as the ocean, weather, moon and mountains. These exist independently of what communities do, say or think. To some extent, human actions can still affect these entities, for example, the unnecessary burning of hydrocarbons negatively affects the weather. Most importantly, the materially real will always exist, even if humans disappear. Critical realism assumes that tourism businesses have an effect on resources, such as the weather, ocean and land. As far back as the 1970s, the tourism industry recognised that it is not a smokeless industry as people perceived it to be. Through mass tourism in areas such as the Caribbean, tourism development and activities' effects on the environment became intolerable. Moreover, these negative effects caused global warming, acid rain and ozone depletion in many parts of the world. During the 1980s, green consumerism was encouraged because of concerns over the loss of tropical forests. From the 1990s to date, the tourism industry has become environmentally aware and environmentally friendly. Eco-tourism, green tourism and sustainable tourism are now popular phrases among academics, developers and policy makers (Holden, 2008).

ii. Ideally real, or discourse, entities refer to intangible objects, such as speech, verbal communication, signs and codes. Also included are philosophies, views, values, thoughts, justifications, attitudes, demonstrations, systems and concepts, such as tourism BSR and neoliberal concepts. Blowfield (2007) suggests that the impact of tourism BSR should be felt by first moving away from considering BSR as a 'feel-good thing' to a 'good thing'. Tourism

planners and policy makers should understand all of these concepts. The ideally real may or may not have a referent, and in some cases, a referent may be ideally or non-ideally real.

iii. The artefactually real includes entities such as cars and buildings. These entities are conceptually mediated, which results in them being referred to in various and diverse ways (Fleetwood & Ackroyd, 2004). There should be an acceptance of the fact that each of these interpretations is valid, and there should be an acceptance of limits to interpretations. BSR is interpreted differently, but as an artefactually real concept, there should be an acceptance of limits to its interpretation.

iv. The socially real are ways of life or lifestyles, a country's concerns and relationship with other states, looking after vulnerable citizens (such as children and elderly people), unemployment and the business and social structure (Fleetwood & Ackroyd, 2004). These intangible objects cannot be touched, smelled or held and they depend on people's behaviour and activities to exist, reproduce and transform. These entities are not reducible to discourse.

Ideal, artefactual and social entities are considered social as they are human-activity dependent. However, this does not clarify which humans are involved because tourism BSR is not only a management activity. This simply refers to the fact that tourism BSR activity does not have a period in which it must be performed and is not limited to specific individuals. Each tourism business can implement BSR policies at its own convenient time, and this timing depends on the availability of resources.

Critical realism develops a stratified reality model that differentiates between areas. Thus, it identifies events, speeches as well as the reality of natural order. The critical realist study approach is based on a conceptual distinction between these two components of social reality by ascribing the terms 'real level' and 'actual level' to them. This critical realist method of combining social mechanisms and stakeholders to explain social outcomes finds expression in the three-tiered ontological or stratification model as expressed in the works of Roy Bhaskar, a British philosopher and the founder of critical realism.

On an empirical level, critical realist theory contends that the effect of tourism BSR should be identified and assessed against the policy established at the real level, as indicated in Figure 3.1. The empirical level consists of structures that exist because of tourism businesses social activities at the actual level, such as a computer-training programme aimed at orphanages and initiated by a local tour operator. The actual level occurs during the implementation of tourism BSR and refers to the concrete activities or interpretations of the guidelines by the stakeholders concerned. In this case, it refers to the way tourism businesses comply with BSR regulations. The critical realist approach accepts that role players have some freedom to relate to guidelines differently to produce different outcomes. One cannot predict social outcomes from the information obtained from the nature of the guidelines concerned (Sayer, 1992). The outcomes need to be monitored because it can be difficult to quantify the tourism businesses' social responsibility impact on developmental intervention (Blowfield, 2007).

The key feature of critical realism is that the structures and causal powers, including their actions, are identifiable. Reality in critical realism looks beyond what is ordinary to access the real domain (Sayer, 1992). When the structure and causal powers are activated, events occur. The domain of the real, therefore, consists of the structures and causal powers that generate events, whereas structures have specific causal capabilities. The real level refers to the regulations, rules, policies, plans and guidelines in place to produce the expected outcomes (Sayer, 1992; 2000).

Social form and structures are seen as necessary conditions of any intentional human act; social actions and human agency presuppose a society. Critical realist theory supports a transformation model of social activity in which social action is endowed with both the reproduction and the transformation of practices and structures. From this perspective, actors are not passive: they shape the social structures that are the social product of human agency. Actors possess causal powers and capabilities for bringing about change in reality through conscious and intentional activities.

Yirenkyi-Boateng (2011) conducted a research project in South Africa that applied this model. The model, illustrated in Figure 3.1, demonstrates that tourism

stakeholders located on the actual level interpret guidelines differently to reflect the different meanings they assign to them because some stakeholders are the product of neoliberalism and some are not. Some actors believe that tourism businesses should aim to make profit and continue to gain a competitive advantage. Others disagree and feel that tourism businesses should be held accountable for their actions. Therefore, in this study, the nature of BSR tourism guidelines on the real level are discussed at the outset to reveal their intended effects on the development of the Western Cape tourism industry. This is followed by an examination of the concrete interpretations of the guidelines by the stakeholders concerned. Finally, the outcomes of the interpretations are established on the empirical level.

The critical realism model indicates that policies are being formed and debated at the real level, where government is making decisions and agreements are made for the adoption of particular policies. These policies then pass to the relevant stakeholders (tourism business owners, their workers and service providers, the local communities near the tourism businesses, and tourists or customers) for implementation. With this stratified model of reality, one can determine whether the policy is achieving what it was intended to achieve only at the empirical level. The empirical level provides the outcome of the stakeholders' actions. Because these actions are influenced by the policies at the real level, their outcomes will determine whether the policies should be revised. Yirenkyi-Boateng (2011) argues that there are significant gaps between what the policy intended to achieve and what it actually achieved.

3.5   Conclusion

The three theories examined indicate the importance of BSR in the tourism industry. The main aim of neoliberalism is driving and promoting the global tourism trade and investment while ensuring that everybody benefits from the tourism economy. However, in developing countries neoliberalism has instead bestowed power on multinational foreign-owned tourism businesses and broadened the gap between rich and poor communities. Hence, it is important for tourism businesses to justify their existence in host countries through BSR commitments.

Chapter Four

Literature Review:

Tourism Political Ideology

A BSR Framework

4.1   Introduction

Chapter Three addressed the theoretical framework that informed the analysis and interpretation of the research results. Three theories, namely neoliberalism, stakeholder theory and critical realism, were discussed. In this chapter, the researcher presents the policy frameworks that provide both a regulatory and legislative environment for the BSR of tourism businesses. The purpose in this chapter is not to present a policy evaluation in general but to focus on policy and regulatory instruments as they relate to the tourism BSR concept. The various policies discussed provide an official framework for tourism BSR activities and define the relationships between tourism businesses and the government. These relationships provide a partnership environment between tourism businesses, civil society, communities and government. The Chapter is structured as follows:

  i.   Presentation, discussion and analysis of policies and other regulatory instruments as they relate to and define the role of the tourism industry in sustainable development;

  ii. A critical review of the relevant policies and other regulatory instruments in the context of the fundamental ideology embedded in them. This seeks to define the fundamental orientation of government policies in the relationship between tourism businesses and government; and

  iii. The last section offers a review of government policies to investigate the extent to which they facilitate or support and inform the nature of tourism BSR.

The researcher argues that the socio-economic policies introduced during the apartheid and post-apartheid eras promote inequalities in South Africa. The researcher further discusses the influence of politics and ideology on South Africa's

tourism development, as well as the role of tourism policies in addressing the socio-economic gaps resulting from politics and capitalism in South Africa.

4.2   Policy Frameworks and Tourism Development

The relationship between tourism BSR policy development and scientific research is always a complex one. However, tourism BSR policy development always requires a scientific approach. Scott (2011) identifies three reasons for studying tourism policy: to understand the shaping of policy decisions and their effects (policy cycle approach); to provide information regarding solutions for certain problems, which informs the policy process (scientific approach); and to understand the interests and values involved in policy and planning processes (social approach). Wray (2009) and Nyakunu and Rogerson (2014) agree that studying tourism BSR policy is a complex process because it involves an analysis of many decisions by large numbers of people.

In this study, a tourism BSR policy is defined as the action the government takes to set guidelines to regulate the activities of tourism stakeholders. Shuraiki (2001) defines a tourism BSR policy as an overall, high-level plan that includes goals and procedures. According to Dredge and Jenkins (2007), a tourism BSR policy is a situation, approach, act or product embraced by an authority. Scott (2011) states that although there are many definitions of tourism BSR policy, decision-making in the form of processes or outcomes is common to all definitions. Scott further contends that a tourism BSR policy is an activity of politics influenced by societies' economic and social characteristics, which is subject to change. Tourism BSR policies address issues such as poverty, unemployment, inequality, health, safety, and racial and gender discrimination (Scott, 2011; Nyakunu & Rogerson, 2014).

Dredge and Jenkins (2007) argue that there is no single tourism BSR policy framework for regulating tourism activities. Instead, tourism BSR policy makers and analysts have the relative freedom to adopt agendas and tactics that reflect their own beliefs, principles and philosophies about tourism BSR policy. Moreover, tourism policy based purely on business profit motives can generate effects different from tourism BSR-based policies (Nyakunu & Rogerson, 2014).

Governments can decide whether economic or social interests should govern the tourism businesses concerned (Nyakunu & Rogerson, 2014). According to Burns (1999), some developing countries prioritise industrialisation and economic growth over social, environmental and cultural issues. Hence, the tourism BSR policy choices and strategies developing countries apply indicate the value they attach to sustainable development (Burns, 1999; Scott, 2011). Scott (2011) suggests that credible tourism BSR policy should be formulated within the framework of trust, collaboration, social welfare and mutual understanding. The aims and roles of tourism BSR policy are indicated in Table 4.1. These tourism aims and roles are intended to guide tourism businesses in achieving sustainable development.

Table 4.1: Tourism BSR policy aims and roles (Adapted from Scott, 2011:14 &

Economic development	• Although tourism businesses generate foreign revenue and assist in creating balance, tourism BSR policies need to determine the types and level of job creation and employment. • Government should assist the implementation of tourism BSR through thorough research and the successful dissemination of information on tourism trends, performance and BSR policies, reporting and challenges.
Competitiveness	• Tourism BSR policies should assist in maintaining the feasibility and competitiveness of tourist destinations and tourism businesses to allow them to keep on prospering and delivering long-term benefits. BSR activity can be expensive; tourism businesses need enough resources to implement it.
Local economic development	• Tourism BSR policies assist tourism businesses to increase tourism's contribution to the prosperity of the host destination, including the amount of visitor spending that is reserved locally. They should reduce leakage by implementing tourism BSR policies that reinforce the wealth of local destinations to minimise leakages in the local economy and contribute towards infrastructure development in the host destination
Employment quality	• Through tourism BSR policies, government can reinforce the number, quality and level of payment of local jobs created and supported by the tourism industry. It can improve the availability of jobs for all without discrimination by gender, race or disability. • Tourism BSR policies seek to minimise poor pay and conditions in the tourism industry through strengthening long-term trade, which ensures permanent employment, to encourage adherence to universal and local policies while providing effective training and opportunities, which addresses career development.
Social equity and pro-poor tourism	• Tourism BSR policies ensure extensive distribution of tourism economic and social benefits from the host community, including the improvement of prospects and salaries and the provision of high quality of life for disadvantaged groups. Neoliberal governance should be examined. • Tourism BSR policies lead to the introduction of socio-economic policies for tourism and activities that address tourism expenditure and income generation for poor and marginalised groups. • Tourism BSR policies assist in the promotion of social tourism
Local control and sustainability	• Tourism BSR policies should promote community involvement and the engagement and empowerment of local communities. Local communities should be included in tourism planning and decision making in relation to the management and future development of tourism in the host destination. • Tourism BSR policies should seek to promote tourism planning driven by the community. • Tourism BSR policies should deal with neoliberalism and issues around politics and sustainable development. • Currently, the policies on sustainability are poorly coordinated and implemented; tourism BSR policies should assist in solving this.
Community wellbeing	• Tourism BSR policies are expected to preserve and reinforce the host community's living standard and social organisations and ensure resource accessibility. • Tourism BSR policies are responsible for effective tourism planning and development to minimise social and environmental impacts and to increase tourism investment and income in host communities.

Nyakunu & Rogerson, 2014:245)

Although the aims and roles of tourism BSR policy are defined clearly, little in-depth analysis of tourism BSR policies currently takes place (Dredge & Jenkins, 2007; Scott, 2011; Asamoah, 2013). Dredge and Jenkins (2007) and Asamoah (2013)

encourage governments to produce new tourism BSR policies periodically to enrich the relationships between tourism business-based stakeholders to sustain development in Africa. Dredge and Jenkins (2007), Scott (2011), Asamoah (2013), and Nyakunu and Rogerson (2014) agree that tourism BSR policy can be analysed at three different stages, namely policy formulation, policy implementation and policy accountability. These phases need to be subjected to academic analysis because there is a need to understand the formulation of tourism BSR policies and their effects on society to achieve sustainable development.

4.2.1   Tourism Policy Framework

Figure 4.1 illustrates the conceptual framework of tourism BSR policy.
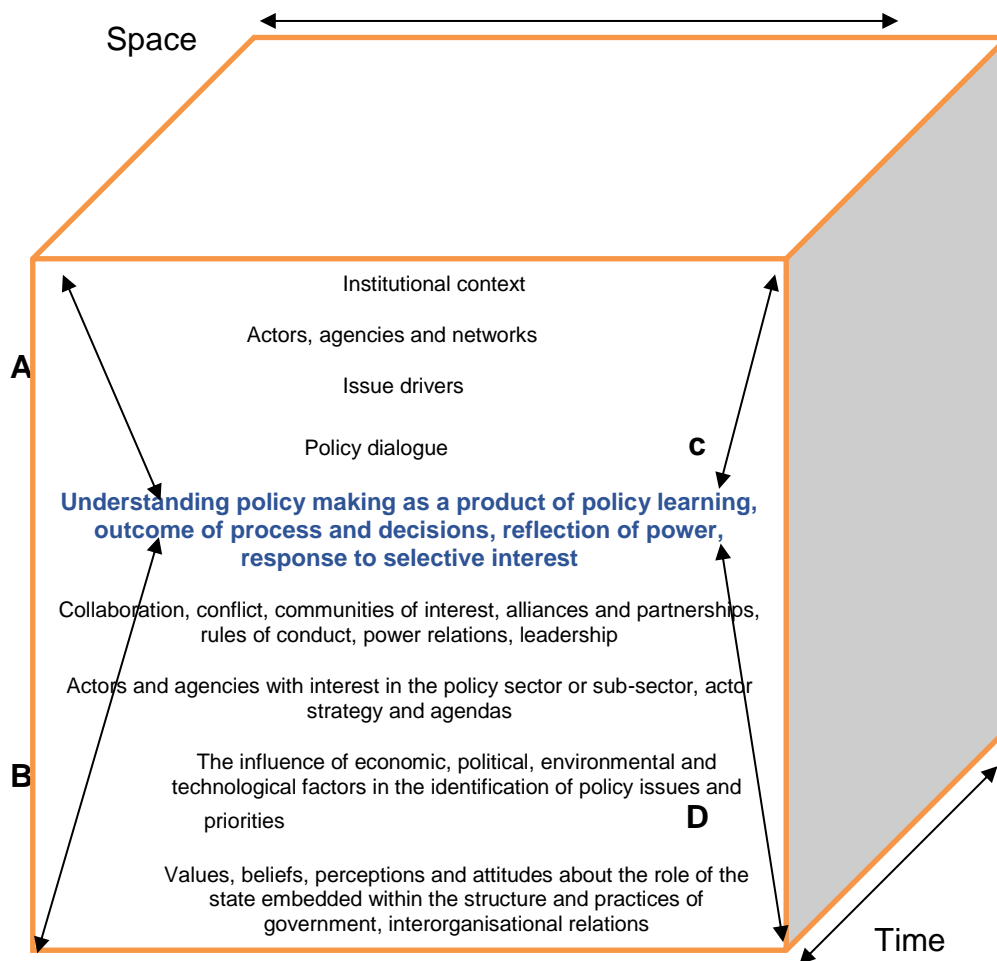
Where: A. Interdisciplinary work , B. Multiple levels of analysis, C. Use of a case study or case studies D. Integrated description, explanation and theory building (macro, meso, micro)

Figure 4.1: Conceptual framework for the study of tourism BSR planning and policy (Dredge & Jenkins, 2007:16)

This framework indicates that five key dimensions affect tourism BSR policy: space and time, institutional context, tourism drivers, actors and agencies, and policy dialogues (Dredge & Jenkins, 2007; Scott, 2011; Asamoah, 2013). The *space and time* dimension refers to events and circumstances. Middle level events as well as circumstances affect the micro level and vice versa. For instance, stock market fluctuations, terrorist attacks and industrial disputes in another country can influence tourism BSR policies, especially in South Africa where tourism businesses treat BSR as an external activity and therefore allocate a separate budget (Scott, 2011). Moreover, economic conditions, such as interest and unemployment rates, change over time and can influence the reaction of the government to tourism policies and planning. Time affects the level of knowledge and expertise that a community accumulates and its ability to develop and promote tourism BSR (Scott, 2011). Hence, the researcher in this study assesses the role of government in assisting the tourism industry to incorporate skills development and job creation as part of its BSR activities.

Scott (2011) describes two types of tourism BSR policy knowledge that allow individuals to obtain favourable positions in tourism BSR policy formulation. These are professional tourism BSR policy knowledge, which refers to technical, systematic and rational variables, and local tourism BSR policy knowledge, which refers to the perceptions and experiences of tourism businesses pertaining to specific issues of tourism BSR policy (Nyakunu & Rogerson, 2014). Furthermore, Nyakunu and Rogerson (2014) mention that events and circumstances change over time, as is the case with policy and policy processes. Therefore, tourism policy should be determined through debates between tourism businesses, government, the community and civil servants and other communication channels (Scott, 2011; Asamoah, 2013). Currently this is lacking in the tourism industry. The industry in the Western Cape particularly is dominated by low skilled and nonprofessional employees. This hampers the development of tourism dialogues (Department of Labour, 2012).

The ***institutional context*** is divided into two components: hard and soft institutional structures (Dredge & Jenkins, 2007; Scott, 2011). Hard institutional structures are the formal frameworks and procedures for planning and policymaking that provide the legal framework for, and define the rights and responsibilities of, tourism planners and policy makers in relation to tourism development. Soft institutional structures include rules of conduct, conventions and social relations, such as BSR, that the stakeholders concerned should adopt. These are informed by values, beliefs, attitudes and institutional knowledge. The researcher argues that the values and perception of tourism business stakeholders in the Western Cape should be considered when developing tourism BSR policies and activities. Soft institutional structures refer to both recorded and unrecorded participation rules, including the agencies and individuals' interests and values (Dredge & Jenkins, 2007). Bodies or structures influence the way in which agencies and individuals engage with policies.

Tourism issue drivers are the internal and external factors that direct the government's attention and stimulate its interest in tourism policy. External factors include the employment rate and political stability of a country, whereas internal factors focus on business resources, skills and the effects of tourism projects on local communities. Issue drivers push problems onto political agendas for resolution (Dredge & Jenkins, 2007). They are classified as economic, socio-cultural, environmental, public administration, political and technological drivers and shape the way tourism BSR policy is undertaken and conceptualised. Asamoah (2013) explains that tourism BSR policies have a reflective effect on socio-economic development processes. This refers to the ability of tourism businesses to implement BSR in terms of their resources, skills and knowledge. Tourism BSR policy implementation is seen as successful if the tourism BSR policy objectives are achieved through affecting people by improving their living conditions. This is very important in the context of South Africa where the division between the rich and poor exists due to apartheid policies and continuing to widen due to neoliberal political approach that the country follows.

The ***actors and agencies*** are the tourism BSR planners, policy makers and institutions, such as politicians, the bureaucracy, public servants and tourism businesses, who interpret and give meaning to time and space (Dredge & Jenkins,

2007; Asamoah, 2013). Thus, the factors that determine the success of tourism BSR policy and activities in South Africa encompass historical events, and the government and businesses' attitudes, values, perceptions, education, experience and relationships, including responses to events and circumstances that shape tourism BSR policy and activities (Nyakunu & Rogerson, 2014).

Policy dialogues (mediating values and ideas) refer to a critical understanding and evaluation of the tourism stakeholders and tourism businesses involved in or affected by tourism BSR policy. Engaging this component can assist in the assessment of the activities of government tourism departments, politicians, and other interest groups. Policy dialogue or debate is important in informing tourism BSR planners and policy makers about social concerns that require attention (Dredge & Jenkins, 2007; Asamoah, 2013). However, this can be achieved if tourism employees and communities at large have the necessary experience and knowledge on tourism policy. Individual tourism businesses' responsibilities and actions affect tourism BSR policy; therefore, these need to be identified and discussed. The following section addresses the perspectives on tourism BSR policies.

4.3.1 Perspectives on Tourism BSR Policy Design and Development

4.3.1.1 Tourism BSR Policy-Making as a Cycle

According to Dredge and Jenkins (2007), tourism BSR policy-making as a cycle was one of the recognised methods used to analyse the process of creating tourism BSR policies during the 1950s. In this model, tourism BSR policy formulation is divided into different series, sequential stages or sub-stages, as illustrated in Figure 4.2.
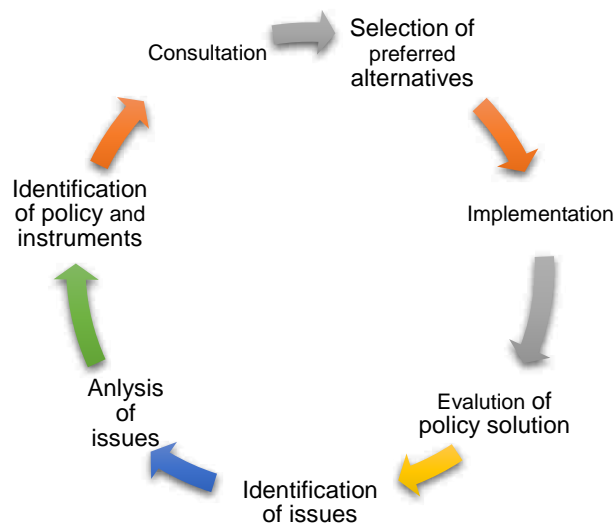
Figure 4.2: The tourism BSR policy cycle (Dredge & Jenkins, 2007:196)

This model examines the position of the principal stakeholder groups on tourism BSR policy issues (Wray, 2009). During the 1950s, the conceptualisation of this approach was based on the idea that tourism BSR policy-making took place in the government. This was obvious in the 1970 and 1980s, when governments used financial and taxation incentives to attract investors to tourism infrastructure development. Problems and their solutions were approached through cause-and-effect relationships. In this case, what Wray (2009) terms the "policy community approach" did not apply. The policy community approach identifies tourism BSR policy key actors, namely sub-government and attentive public actors, and those individuals that occupy the top positions and are responsible for policy formulation and implementation.

Although foreign tourism investors were successfully attracted to tourism BSR policy as a cycle, it was not always the most appropriate tourism BSR policy approach because this model applied problem solving focused on achieving certain goals. Tourism businesses did not see the need to justify their activities. Due to a limited understanding and knowledge of BSR, different problem-solving activities were identified at every stage and solutions were provided on a case-by-case basis. In South Africa, this type of tourism BSR policy approach is associated with the apartheid government.

Visser (2005) states that the apartheid government identified and addressed the problems poor White people in South Africa faced and provided solutions only for them. Work opportunities in the tourism industry were created for White people, and the Wage Act of 1925 was established to protect the jobs of poor Whites by transferring 8 000 jobs from Black workers to White workers. This was implemented to solve the unemployment problem in the White population (Visser, 2005), creating inequality among South Africans. This study was considered because of some of the consequences of past tourism BSR policies.

4.3.1.2 Tourism BSR Policy-Making as a Decision-Making Process

In this formulation of tourism BSR policy, the important stages are the identification of issues, decision-making and the unfolding of events resulting from the decisions made. Wray (2009) cautions that although numerous tourism BSR policy formulation and implementation issues can always be identified, not all of them can be attended to. Tourism BSR policy formulation as decision-making is conceptualised through three broad streams, namely rational comprehensive; incrementalism and public choice approaches (Dredge & Jenkins, 2007).

The *rational comprehensive* approach describes policy-making as a rational and logical process based on the setting of goals, the identification and analysis of problems, such as poverty and unemployment, and the implementation of 'best-fit' solutions. The *incrementalism* element focuses on historical events and the influences of external factors, for example, poor levels of education resulting from Bantu Education. The *public choice* element refers to the application of economic principles with a focus on the political environment. It supports the belief that just as individuals base their interests on economic self-interests, governments and bureaucrats are concerned with self-interest and seek to maximise their own or their supporters' benefits (Dredge & Jenkins, 2007). Figure 4.3 represents the public choice model and demonstrates the interaction between political institutions, bureaucracy, voters and the economy. It indicates the reasons for tourism BSR policy decisions and explains the effects of such decisions on the community's collective interest.
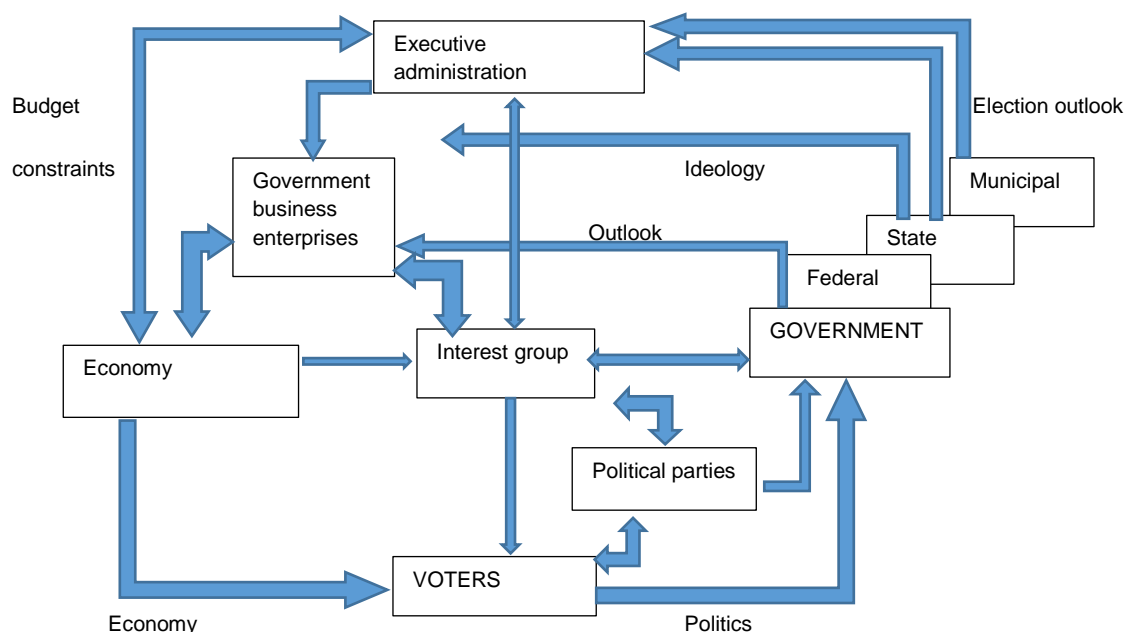
Figure 4.3: A simple political and economic model of tourism BSR policy formulation (Dredge & Jenkins, 2007:204)

4.3.1.3   Tourism BSR Policy as Issue Identification and Management

Policy as issue identification and management is divided into issue identification and agendas, and it is likened to a funnel through which policy and issues are moved (Dredge & Jenkins, 2007). The importance of and the way in which issues are handled or accepted is shaped by the media and public opinion or agenda. Wray (2009) asserts that there are four degrees of issue acceptance: zone of rejection, zone of indifference, zone of symbolic action and zone of substantive action.

Zone of rejection signifies that tourism businesses, the government and civil society do not believe that the issues need their attention, while *zone of indifference* shows that these tourism stakeholders recognise the issues but they do not feel compelled to act, hoping that others will resolve the issues. In the *zone of symbolic action*, tourism stakeholders ascribe meaning to a group whose values and ideologies match the issues. It is only in the *zone of substantive action* that tourism businesses, the government and civil society attempt to change or resolve issues. However, the zone of action usually demands the expenditure of capital, equipment and human resources (Wray, 2009). According to Mahon and Waddock (1992),

tourism stakeholders usually first adopt symbolic action and apply substantive action if it fails.

Tourism BSR policy issues are prioritised by their movement through the funnel, and all issues are found in the widest part of the funnel (Dredge & Jenkins, 2007). At the funnel's narrowest part, the identification and filtering of tourism BSR stakeholders' most important policy issues, such as unemployment, takes place. This type of tourism BSR policy formulation does not provide enough information on how the issues are identified and moved forward. Moreover, tourism businesses engage in issues in different ways and at different levels without considering how they can initiate government action to address these issues.

In this model, tourism businesses perceive problems as important enough if these problems warrant public attention (Dredge & Jenkins, 2007; Nyakunu & Rogerson, 2014). The solutions are usually found when there is a strong strategic alliance between the disparate interest groups, such as the media, tourism business and civil society. This could form a powerful synergy that highlights issues even against the will of politicians. However, where differences occur in tourism businesses' perceptions of the issues and relative power to influence government exists, frustration and conflicts that hinder the implementation of tourism BSR activities may arise (Dredge & Jenkins, 2007). The researcher aimed to identify and describe the perceptions of tourism BSR policy in South Africa with the intention to assess its effect on BSR implementation in the tourism industry.

4.3.1.4 Tourism BSR Policy-Making as a Socio-Political Construct

Tourism BSR policy-making as a socio-political construct embraces a communicative approach in which the creation of tourism BSR policy is a dynamic process that stems from challenging dialogue and interaction between tourism stakeholders. The focus here is on how power, politics and community interest influence the identification of and action on issues (Dredge & Jenkins, 2007). The definition of the social problem and the identification and evaluation of solutions take place simultaneously. According to Dredge and Jenkins (2007), in tourism BSR policy formulation, the modification of tourism businesses' behaviour and decisions

depends on events, information about tourism BSR stakeholders and their decisions and behaviour. This model assists in the construction of concepts that explain how and why tourism BSR policies were formulated, specifically policy subsystems, advocacy coalitions and networks.

Policy subsystems recognise that tourism BSR policy is formulated around substantive issues, such as inequality or inequity, and continuous relationships, as opposed to political parties and government agencies. *Advocacy coalitions* refer to the allegiances and partnerships formed with the emergence of unequal power, although policies are formulated around practical issues and relationships (Dredge & Jenkins, 2007). *Policy communities and networks* refer to the formal and informal relationships between tourism businesses that influence the tourism BSR policy formulation process. They help to produce collaborative, collective learning and actions that will enhance the implementation of tourism BSR. *Net-work* theory depends on policy subsystems and advocacy coalition power for success (Dredge & Jenkins, 2007). Hence, it was the researcher's aim to explore the various tourism BSR policy formulation processes to understand and identify the most suitable tourism BSR policy formulation process for the South African tourism industry. The process should consider issues such as globalisation, as discussed in the section that follows.

4.4   Globalisation of Tourism in Developing Countries

Tourism development is considered integral to the process of globalisation, so any analysis of tourism should consider the theoretical advances of globalisation (Hannam, 2002; Mason, 2007). Loots (2002) states that the policies and choices the South African government made when the country re-entered the international economy in the 1990s were related to global financial, trade and investment systems. During this period, globalisation gained momentum in South Africa. This transnational economic growth led to the establishment of a large number of corporations (Hamann & Acutt, 2003). In the global arena, maintaining BSR and harnessing the potential of tourism businesses is a major challenge (Newell & Frynas, 2007).

Various aspects of the globalisation process negatively affect South Africa and other developing countries (Hannam, 2002). Furthermore, the globalisation of tourism involves political and tourism business ownership power. Newell and Frynas (2007) contend that this power can be seen when weaker governments are pressed to locate tourism businesses where policies on society and the environment are weak or non-existent, which exploits poor communities. In addition, tourism development can lead to the direct abuse of human rights in the workplace and in local communities. Hannam (2002) describes a forced labour system on tourism projects and forced resettlement in both the urban and rural areas in Myanmar. In Thailand, powerful Japanese businesses have caused detrimental environmental effects in several local communities. In South Africa, communities experienced forced resettlement in rural areas during the apartheid era with the establishment of national parks and other protected areas (Fig, 2005; Ramlall, 2012).

Heath (2001) describes the globalisation of tourism as a megatrend with different dimensions and negative and positive consequences. Tourism is regarded as one of the most powerful exemplars of globalisation because the geographical scale of travel and trade is increasing in size, with spatial interactions taking place over greater distances and in wider circles (Mazilu, 2011). Tourism is a phenomenon based on technology, cultural values and the travel patterns of people. Therefore, tourism is a vehicle for and one of the most obvious forms of globalisation (Mazilu, 2011; George, 2013). Globalisation determines the flow of people, commodities and capital around the globe, which are circulated in globally coordinated production networks governed by large transnational firms, such as airlines, tour operators and hotel companies (Hazbun, 2004). The intention of the researcher in the current study was to analyse the government's intervention in managing and controlling globalisation. Mpofu (2009) identifies five factors that facilitate the globalisation of the tourism industry: international trade and investment, technological improvement, spatial patterns and regionalisation, the role of MNCs and country image.

4.4.1   Trade and Investment

Trade and investment require people to travel abroad, leading to globalisation because of an increase in the spatial mobility of people (Holowiecka, Grzelak-

Kostulska & Kwiatkowski, 2011). Additionally, the removal of trade barriers encourages tourism business globally, which leads to deterritorialisation, or the loss of power, identity and uniqueness of territory, due to globalisation (Hazbun, 2004). This indicates the importance of tourism business in justifying their existence through BSR programmes. However, Hazbun maintains that tourism firms can increase their ability to access resources, distribute their products across great distances and cluster themselves in specific places to allow reterritorialisation to take place. The researcher in the current study argues that reterritorialisation is possible only among large tourism business, while deterriotorialisation continue affecting SMTEs development.

4.4.2   Communication and Technology

Antonescu and Stock (2013) assert that tourism's spatial patterns changed radically from a system comprising a small number of places to a global system from the nineteenth century. Transport development, technological advances and the maturing of tourism marketplaces contributed to this change (Heath, 2001). In terms of technology, improvements in transport and telecommunication have facilitated the growth of the tourist industry and the movement of tourists (Heath, 2001; Holowiecka *et al.*, 2011). Transport and infrastructure development that took place in preparation of the 2010 FIFA World Cup tournament held in South Africa contributed to an increase of tourists arrivals in the province. The expansion of Cape Town International Airport and the building of Cape Town Stadium increased the total number of direct flights and promoted the province as a mega-event destination. This attracted many tourism investors in the province. The question that is asked in this study is whether these changes improved the implementation of BSR activities in the Western Cape tourism industry.

4.4.3   The Spatial Patterns of Tourism Activities

The changes in the tourism sector of the Western Cape have a geographical dimension. As the ideological, technological, economic and environmental dimensions have changed, so has the geographical dimension. The geographical dimension may be analysed through changes in the locations of the tourism businesses (point patterns), through changes in the transport and communications

systems connecting tourism activities (line patterns) and through the regional patterns in terms of tourism areas or zones in the province. These patterns need to be analysed collectively to provide a comprehensive representation of the forms, structures and networks inherent in the tourism activities at the micro, meso and macro scales of resolution (Dredge & Jenkins, 2007).

The spatial organisation of tourism activities of the Western Cape after 1994 has changed significantly. As tourism businesses are opened under new ownership, the nature of customers and service providers tend to change, producing new trip patterns that change in spatial scope, leading to the regionalisation (intraregional and interregional) of tourism. This is becoming prevalent due to an increase in interconnectedness between municipalities that share borders (Heath, 2001; Mpofu, 2009).

4.4.4 Multinational Corporations

Newell and Frynas (2007) argue that although it is true that tourism business contribute to the provision of employment, goods and services, investment, shaping developing countries and policies to alleviate poverty, numerous questions arise. These include whether voluntarily tourism business-as-usual practices can reduce poverty or whether government-led developmental practices should rather drive and regulate these activities. These were some of the investigative concerns for the researcher.

Increasing interactions imply more interconnections and, thus, more active involvement and increased dominance of MNCs and TNCs in the tourism industry, which leads to economic globalisation (Heath, 2001). According to Peric (2005), mega corporations and multinationals are the most exposed agents of globalisation. These large corporations enjoy global dominance and have monopolistic features involving economies of scale, increased market share and the suppression of competition.

Sharp (2006) and Mazilu (2011) agree that the emergence of MNCs and TNCs can have positive effects. These companies have the ability to reduce the gap between the rich and poor and support global relaxation, peace, humanity's security

assurance and sustainable development through alliances (Heath, 2001; Peric, 2005). The reasons for forming alliances differ. For example, Rwanda attracts more foreign investors to bring more foreign direct investment (FDI) to the country (Nkurayija, 2011). In Indonesia, the government is allowing 100 per cent foreign ownership in the tourism industry while making provision for foreign professional workers to create employment (Sugiyarto, Blke & Sinclair, 2003).

Tourism MNCs and TNCs are under pressure to provide high quality, standardised products that meet international standards in an increasingly competitive environment, especially in developing countries (Antonescu & Stock, 2013). To overcome this, tourism businesses are forced to implement horizontal alliances (Heath, 2001). Tourism businesses usually merge with other companies that are at their level in the distribution chain. For example, British Airways and American Airlines have forged a trans-Atlantic alliance (Heath, 2001; Antonescu & Stock, 2013). Licencing and franchising have also been popular forms of horizontal alliance. Marriott, Sheraton and Radisson (America); Holiday Inn and Hilton (United Kingdom); Club Mediterrance and Accor (France); Inter-continental (Japan); and McDonald's, Wimpy and Avis car rental are examples of horizontal integration that exist in developing countries. By forming alliances, tourism businesses overcome emerging competition (Heath, 2001). However, Peric (2005) mentions that SMMEs are usually disadvantaged in the process, due to high production costs.

In developing countries and in Africa in particular, numerous positive economic effects are associated with the globalisation of tourism, especially through MNCs. These include the creation of new tourist attractions, new markets and additional funds for infrastructure development (Heath, 2001; Mpofu, 2009; Antonescu & Stock, 2013). Furthermore, the globalisation of tourism assists in the generation of foreign currency earnings, balance of payments and an increase in government revenues from the taxation of multinational corporations. However, Heath (2001) argues that although MNCs aid the development of countries, this is seldom sustainable. The researcher agrees with Heath that MNCs do not have long-term commitments to particular destinations, and they are often less concerned about the effects of their activities on the environment, economy and community of the host country. In addition, SMTEs and local tourism businesses generally are afraid to develop

relationships with large tourism businesses (Heath, 2001). As a result, Peric (2005) believes that globalisation primarily brings about negative influences on social values, culture and the environment. The researcher in the current study paid attention on the type and extent of integration and relationship that exists between major tourism corporations and SMTEs. To what extent does government facilitate this relationship, more especially with previously disadvantage group.

Moreover, governments may fail to promote policies that can benefit all stakeholders in the tourism industry (Peric, 2005). Such failures can lead to excessive wealth at one pole while those at the other pole remain poor (Mazilu, 2011). Hence the researcher in the current study investigated the spatial concentration of tourism production and consumption. Thus, the structural and spatial aspects of tourism development. There is a tendency to concentrate decision-making power in these large foreign-owned tourism businesses. Furthermore, foreign businesses may choose a site or area to develop businesses activities that may influence the operation of local tourism businesses in various ways. Large corporations may also compel the authorities in a potential area of investment to comply with certain conditions or effect changes to local laws before they invest. Newell and Frynas (2007) and Zmyslony (2011) argue that globalisation decreases the role of states in the arena of international economic relations and that state power decreases when global capital power increases. Only a few economies with strong government intervention (China and Russia) can resist the pressure of globalisation and liberalisation. Additionally, globalisation can increase the interdependency of large corporations and SMMEs. Peric (2005) and Hjalager (2007) assert that when local markets become saturated, tourism businesses seek new selling opportunities in the international market.

In addition to the interdependency of local tourism businesses on foreign businesses, large tour operators have strong positive influences on the way hotels operate. They influence hotel prices and can impose conditions on local suppliers, such as ensuring that suppliers are committed to protecting the environment (Peric, 2005). In this study the researcher analysed various tourism BSR driving forces to establish an understanding of BSR structure in South Africa and Western Cape tourism industry. Heath (2001) comments that new visitor management programmes

should be adopted by the tourism industry as a whole to release pressure on the world's "honey pots". For example, the green tourism approach, where some hotels use recycled products and encourage their guests not to request that their sheets and towels be changed every day, is becoming popular. Various questions were developed in order to establish the Western Cape tourism industry's BSR activities. The sustainability of these activities were analysed.

4.4.5   Country Image

Mpofu (2009) asserts that governments, especially in developing countries, use MNCs to create positive impressions on tourists, leading to densification and diversification of tourism products in the area. Heath (2001) contends that the economic pressure and tendency to imitate tourism products have led to the trend towards sameness around the world. Mpofu (2009) and Holowiecka *et al.* (2011) report that although tourists travel for various reasons, the images and activities of destinations often influence them. Therefore, countries are more determined to preserve and enhance their unique identities while achieving sustainability (Heath, 2001; Mpofu; 2009). This is done through incentives and tax concessions on foreign investments. Government sector was considered as key informants in the current research in order to investigate government's role in promoting BSR initiatives among foreign and local tourism business. The relationship between tourism development, globalisation and sustainability is discussed in the following section.

4.5 Interrelationship   Between   Tourism   Development, Globalisation and Sustainability

The globalisation of tourism equates to industrial tourism, which took place in the 1830s, and mass tourism, which became popular during the 1920s (Antonescu & Stock, 2013). Holowiecka *et al.* (2011) argue that standardised beach mass tourism was one of the visible manifestations of the globalisation of tourism in the early post-World War II era. This occurred in the form of packaged holidays, resulting in the saturation of beach tourism. Global tourism gained popularity as new places and forms of tourism were identified (Hazbun, 2004). Today, tourism can be categorised as mass, diverse and globalised systems that began in the 1970s. Furthermore, fashion promotes the globalisation of tourism (Mpofu, 2009). According to Heath

(2001), fashion refers to product preferences and lifestyles that lead to the standardisation of product and services. Fashion makes some regions popular among tourists, and technological improvements, such as improved distribution systems, lead to easy access to information and the dissemination of fashion (Heath, 2001; Holowiecka *et al.*, 2011). The Western Cape Province is one of the most popular tourist destination in South Africa, the province's metro attracts most of the tourists. The researcher argues that urgent strategies are needed to reduce mass tourism.

Hannam (2002) contends that everybody now lives in a region that is subject to tourism development because of globalisation. According to Mpofu (2009), Antonescu and Stock (2013) and George (2013), improved environmental awareness and the concept of sustainable development have expanded globalisation. However, George (2013) argues that although tourism fits well within the concept of globalisation, it may not fit well within the notion of sustainability. When globalisation intersects with sustainable development, a less desirable relationship develops that leads to problems.

Tourists explore the environment in different ways, with interest and curiosity (Antonescu & Stock, 2013). Many countries seek a balance between human needs and the environment, inspiring alternative tourism, such as ecotourism, to achieve sustainability (Zmyslony, 2011; Antonescu & Stock, 2013). Alternative tourism is leading to the emergence of new popular tourist destinations. Hamann and Acutt (2003) point out that BSR's main role is to form a linkage between market economy and sustainable development. Figure 4.4 indicates the interrelationship between tourism development, globalisation and sustainability.

Globalisation ⟷ Tourism ⟶ Sustainability

| Cultural/economic revitalisation | Acculturation |
| Cultural appreciation/peace | Cultural conflict |

Figure 4.4: Interrelationship between tourism, globalisation and sustainability (George, 2013:2)

The current research was developed with an intention to assess the relationship between globalisation, tourism and sustainability in the developing countries. In the case where such relationship exists but found to be weak, the researcher is of the opinion that the tourism BSR regulations and policies should be strengthen to sustain such relationship. Heath (2001) and George (2013) agree that globalisation could bring about cultural revitalisation. Improved technology and communication can lead to tourism that creates new spaces or new cultural encounters and alliances. Furthermore, a relationship between a host and tourist could bring about a cultural exchange between the parties, with each learning from the other (Keyser, 2009; George, 2013). Conversely, tourism could be a threat to culture, through a process of acculturation and cultural erosion. As Keyser (2009) and George (2013) assert, changes occur in the culture brought by tourism during acculturation. New diverse and unique tourist attractions emerge, while increased similarities between the two cultures occur. Unfortunately, one culture often dominates the other during the host and tourist interaction. Languages and ethnic dialects have succumbed to the English language, resulting in the diminishment of ethnic languages (George, 2013).

Moreover, the globalisation of tourism has numerous strategic implications. It increases competitive pressure in the market as it brings many participants. The complexity and intensifications of doing business increases, ranging from gaining knowledge about customers and ensuring effective management of diverse employees to offering unique products (Heath, 2001). Globalisation requires tourism managers to be more knowledgeable to allow them to interact with the complex global environment. Today, tourism businesses need to apply a global business perspective to solve industry problems. According to Heath (2001), Ivanovic, Khunou, Reynish, Pawson, Tseane and Wassung (2009) and Keyser (2009), these problems include the overuse and destruction of natural and manmade resources; conflicts between local communities, including those involving tourists; cultural heritage identity loss; increased crime; escalating land costs and inflation; and

political, socio-cultural, economic and environmental issues. Table 4.2 shows how tourism and globalisation interact.

Key global drivers of tourism change	Impacting on the:	Critical success factors to ensure destination competitiveness
	Tourist (consumer) level:	
• Emergence of the "new" tourist	• Changing travel patterns, attitudes, requirements and expectations	• Understanding the new rules of global competition

• Technological advances	• **Tourism business unit level:**	• Anticipation and response to the global leading strategies "best practice" destinations
• Global economic drivers	• Increasing mergers, acquisitions, strategic alliances and networks	• Capitalise on the unique and distinctive characteristics of destinations and brand accordingly
• Environmental awareness and sustainability factors	• Strategic and market-driven focus becoming increasingly important	• Make quality tourism experiences and the profitable delivery of tourist (consumer) value the key focal points
• Demographic shifts	• **Destination development and marketing level**	• Think globally, plan regionally and act locally
• Intensification of competition	• Increasing emphasis on responsible, sustainable and participative tourism practice	• Sustainable management of the destination' authenticity and integrity
• An increasingly important relationship between tourism and peace	• The marketing of the tourist destination should focus on the increase of innovation, strategies, participation and e-marketing	• To achieve successful sustainable tourism by powerful people should be acknowledged
• The rising of city state including an increase of regional trade blocks		• Adaption of global change through the development of clear vision, culture, mechanisms and leadership
• An increase in the importance of safety and security, health and ethical issues		
• Focusing more on the development of human resources and acknowledging its importance		

Table 4.2: Interaction of globalisation and tourism (Heath, 2001:546)

As indicated in Table 4.2, sustainability has created a new type of tourist, an individual who is more knowledgeable, prefers a more adventurous activity, takes an individualised approach to a holiday, has travelled extensively, and is educated, observant, challenging, environmentally sensitive and willing to pay a large amount for excellent service (Heath, 2001). This type of tourist, who typically comes from Western Europe or the United States, constitutes 70 per cent of overseas visitors to South Africa. This group consists of an older age group, which has more disposable

income to spend on travelling. Another aspect highlighted in Table 4.2 is the issue of ethical behaviour in the tourism industry. This type of new tourism is being assessed in relation to sex tourism and the safety of employees, visitors and communities (Heath, 2001). An assessment in relation to this type of tourist was made in this study. The researcher investigated whether the tourism industry is aware that this new type of tourist prefers those tourism business that engage in social responsible activities. If they are aware, which strategies and approaches are they using to accommodate such tourists. The effect of tourism development on shaping socio-economic issues is discussed in the following section.

4.6 Tourism Development as an Instrument of Socio-Economic Policy

Scott (2011) defines tourism policy development as the policy choices governments make where some stakeholders may benefit while others do not. South Africa's political past, a legacy of poverty, crime and unemployment guide the development of the country's tourism industry. Politics and policy choices further determine the shape and nature of the industry.

Sharp (2006) mentions the dominance of international and national agencies in the development of tourism during the late 1990s. These agencies organised funding and elite personnel who were moved from one place to another, bringing a uniform pattern of development across Africa. Today, MNCs take control and have the power to influence government development policies. Moreover, Hannam (2002) asserts that the political elite use political power to influence tourism development. In many cases, tourism development leads to the abuse of human rights (Scott, 2011). Hence, geographers analyse tourism based on its effect on the environment and society where tourism development occurs. Geographers are more concerned with tourism infrastructure and the people who shape socio-economic places.

Inskeep (1991) and Mason (2007) believe that tourism development is a complex process that brings together several socio-economic variables. Developers in the tourism industry fall into three categories, namely public sector, private businesses and non-profit organisations and communities, and all of these decision-makers are involved in delivering the tourism product (Sillignakis, 2003). Tourism incorporates

domestic and international development agents, including the key stakeholder groups, with state policy, planning and regulations, as indicated in Figure 4.5. This differs from one destination to another. In this study, the opinion and perspective of the tourism private sector, government and local communities in relation to tourism BSR development and management in the Western Cape were considered during the survey procedure. This was done to analyse the sustainability of tourism BSR in the province.

Mason (2007) developed a series of questions that need to be considered for any type of tourism development to be sustainable:

- What is the desired outcome of the development?
- What are the tourism policy and planning regulations of the destinations?
- What are the institutional arrangement and political realities of the destination?
- What are the values of the key actors and institutions involved in the development process?
- Who is in control of the decision-making process?
- What project is selected, how is it financed and who operates it?
- Who benefits from the development?
- Can tourism development contribute to national development goals?

While the above questions are clear and should be used as guidelines, Mason (2007) argues that in developing countries, the development of tourism takes a top-down planning approach. This approach entails decision-making predominantly based on decisions of the government and large tourism businesses, which occurs in the absence of concrete policy measures (Golja & Nižić, 2010). In the case of South Africa the sustainability of the tourism development is questionable. Although major tourism business are few in numbers in the country, they control and manage the tourism resources. The intervention through stakeholder dialogues and government policies in this regard were analysed. Muchapondwa and Stage (2013) argue that where concrete policy measures are not in place, the income generated from tourism may increase the income of the affluent or foreign tourism operators rather than the poor local community. Usually foreign capital and expertise take first preference, leaving the locals marginalised.

```
┌─────────────────────────────────────────────────────┐
│ Values, ideologies, goals, priorities, strategies,   │
│ and resources of tourism development agencies,        │
│ such as                                               │
└─────────────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────────────┐
│ Government, development corporations, domestic        │
│ private sector, multinationals, NGOs, volunteer       │
│ agencies, regional agencies, international agencies,   │
│ planning consultants, tourists                        │
└─────────────────────────────────────────────────────┘
                        │
                        ▼
Strict control  ⇐      ┌──────────────────────────────┐  ⇒  No control
                       │ Policy, planning and politics │
                       │ filter                         │
                       └──────────────────────────────┘
                        │
                        ▼
Integrated  ⇐          ┌──────────────────────────────┐  ⇒  Enclave
                       │ Resulting tourism in the      │
                       │ destination environment; form,│
                       │ scale and function            │
                       └──────────────────────────────┘
                        │
                        ▼
Integrated  ⇐          ┌──────────────────────────────┐  ⇒  Isolated
                       │ Linkages to local, regional,  │
                       │ national and international     │
                       │ economies                     │
                       └──────────────────────────────┘
                        │
                        ▼
            ⇐          ┌──────────────────────────────┐  ⇒
                       │ Development outcomes;          │
                       │ economic, environmental,       │
                       │ socio-cultural                 │
                       └──────────────────────────────┘
Positive                                                      Negative
```

Figure 4.5: The tourism development process (Mason, 2007:83)

Currently, the development of tourism generally rests on the development of the private sector (Sharp, 2006). The researcher agrees with Sharp that even in South Africa the private sector drives the tourism industry. According to Mason (2007), although the main goals for tourism development are visitor attractions, improved economy, business success, sustainable resources, community and area integration, economic arguments are always presented if the question of why people engage in tourism is posed. Mason (2007) contends that it is difficult to define the extent to which tourism should be influenced by economic perspectives that would lead to broader development goals, such as greater self-reliance, endogenous growth, the fulfilment of basic needs, environmental sustainability and other related MDGs, which BSR includes.

The World Bank and other organisations are assisting the private sector in linking tourism BSR to development, but their participation is less significant than before because they are no longer the major role players of development (Sharp, 2006). Therefore, tourism agents (the government, NGOs, the private sector as a whole and the community) should clearly define and understand the values, ideologies, goals and priorities of multinational tourism businesses to ensure sustainable tourism development, as indicated in Figure 4.5 (Sillignakis, 2003; Mason, 2007).

Figure 4.5 shows that some of these tourism development agents are based locally, whereas others, such as multinational corporations and international funding agencies, operate from abroad. They exercise different powers on tourism development. The government is responsible for laws and regulations, while the tourism businesses have power through wealth, information and technology. Mason (2007) believes that tourism businesses are centred on profitability, with other considerations taking second place. The argument in this study is supported by Mason (2007) that tourism business need to justify their existence while making profit. The citizen groups have power through local participation, but their objectives differ (Inskeep, 1991; Sillignakis, 2003; Mason, 2007; Golja & Nižić 2010; Eja, Otu, Ewa & Ndomah 2011).

Golja and Nižić (2010) argue that an increasing number of businesses have accepted the concept of BSR. Hence, the interaction of these agencies occur through the policy, planning and politics filter, as described in Figure 4.5, and through the political party in power (Sillignakis, 2003). This stage is referred to as a filter because every tourism project works its way through layers of political and bureaucratic structures at local, national, regional or international level, depending whether the project is being opposed or approved. The policies are then established and written, and the government implements regulations to either approve or restrict the development. The government's tourism policy, the values of those in charge and the availability of resources drive and influence tourism development.

Eja *et al*. (2011) are of the view that tourism businesses should be involved in the development and promotion of tourism. Yet in developing countries, multinational and big tourism businesses have been criticised for causing serious problems, which include economic, social, political and environmental issues (Mason, 2007). Two main factors need to be considered in the development of tourism: whether to approve the integrated or enclave model of tourism development. The integrated development model offers more community participation than the enclave model does. In the current study the researcher argues that tourism BSR model could assist developers, policy makers and tourism business to achieve an integrated tourism development.

The location of tourist sites, the existence of tourism infrastructure and patterns in tourism production and consumption also affect tourism development. Cornelissen (2005) argues that the travelling pattern of tourists at a destination, including the interfacing that takes place between residents and locals, determines the type of tourism development in an area and, most importantly, the potential for revenue creation for tourism businesses and locals. In other words, if the spatial concentration of tourism production and consumption occurs in local areas, the effects of tourism development on locals are concentrated. The structural and spatial aspects of tourism are often overlooked in formulating tourism development policy. Hence, the negative effects of tourism exceed the positive effects at the destination, as discussed in the next section (Mason, 2007).

4.7 Understanding the Nature and Development of the Tourism Industry in South Africa

The tourism industry is fragmented and difficult to manage because it consists of numerous sectors, including the travel, business, leisure and hospitality sectors (Ivanovic *et al.,* 2009). Its definition is complex because some services are important for satisfying the needs of customers, while others play a peripheral or supportive role. For example, banks and retail shops cater for locals and tourists, but resorts serve only tourists' needs. According to Holloway (1996), the tourism industry consists of transport, accommodation and manmade and natural attractions. Furthermore, cultural attractions, Western culture and indigenous culture are regarded as essential elements of this industry. In South Africa, most of these are located in urban areas and few lie in peripheral zones, such as townships and rural areas. If they are located in peripheral areas, enclave development occurs, which usually excludes local communities from the economic cycles of businesses. It was within this context that the current study was initiated in order to pursue tourism business to consider the needs of both primary and secondary stakeholders. These tourism businesses are producers, producing products such as accommodation and attractions, and some, specifically tour operators, are wholesalers that group attractions together and sell them as one package. Travel agencies are intermediaries between consumers and suppliers and are all affected by policy-making and globalisation

De Ridder (2003) states that South African globalisation began in the colonial era. At this time, the Dutch East India Company, or Vereenigde Oostindische Compagnie (VOC), a commercial company, stimulated the interest in South Africa. The VOC was the first multinational corporation in the world and the first to issue stock and possess quasi-government powers (De Ridder, 2003). This company established a refreshment post in Cape Town in 1652. In 1852, diamonds and gold were discovered, initiating the British government's expansion policy in Southern Africa (Mbeki, 1992). Although the Dutch VOC first showed interest in South Africa, 1852 saw the emergence of notable imperial interests (Smith, 2012). Smith (2012) states that people came to South Africa in droves hoping to become rich. After the discovery of diamonds and gold, the discovery of copper and iron followed. South Africa became the largest exporter of these metals and minerals and attracted many foreign investors. During this period, the country first became the victim of neoliberalism. Foreign ownership dominated numerous industries, especially the mining sector. These powerful foreign investors determined the fate of many other enterprises (Smith, 2012).

According to Steyn and Spencer (2011), when the country attained independence in 1910, tourism was in its infancy. People travelled to South Africa to visit thermal springs and game reserves. Cape Railways, which changed hands in 1936 when the Tourism Development Corporation took over, managed the industry, and the South African Tourism Corporation took the helm in 1947. In 1983, the South African Tourism Board (Satour) was established and this changed to South African Tourism (SAT) after 1994. However, when the ANC came to power, tourism was not included in its programmes. Some of the questions that emerged from this study included; what is the effect of various tourism policies pre and post democracy on local communities? Who benefited most from the these policies?

The importance of tourism in the creation of employment and livelihoods for the urban and particularly rural poor was recognised only in 1996 through the formulation of the White Paper on Sustainable Tourism Development and Promotion in South Africa (Goodwin, Spenceley & Maynard, 2011; Steyn & Spencer, 2011). In 1998, the World Travel and Tourism Council (WTTC) addressed the main tourism strategies in South Africa (Steyn & Spencer, 2011). As part of these strategies, the

WTTC advised South Africa to attract private tourism investment, stimulate entrepreneurship and encourage privatisation, especially in the airline business. The WTTC further encouraged the promotion of telecommunication markets, liberalisation of international and national trade regimes, and building of public and private cooperation. The strategies encouraged the adoption of GEAR to establish guidelines and procedures for sustainable tourism expansion (Steyn & Spencer, 2011). In addition, the industry was advised to promote green tourism and target corporations with certified standards, and the promotion of empowerment through job creation, poverty alleviation and sector BEE charters was highlighted. The researcher argues that because GEAR strategy promoted neoliberalism, promotion of empowerment is still questionable in this country, poverty, inequality and unemployment are still the main challenges of the country. Moreover only few tourism business engage in B-BBEE and BSR activities generally.

Steyn and Spencer (2011) report that due to the lack of detailed strategies to achieve these objectives, progress was not immediately feasible. However, this became the start of the development of tourism in the new South Africa, leading to the establishment of the first tourism policy, the Green Tourism Paper in 1995. At present, the country is in the market development stage, which is a mature stage, and there are indications of the country reaching the stagnation stage of the tourist destination life cycle. On the regional level, the country is reaching the growth and rejuvenation stage (Steyn & Spencer, 2011). In the rejuvenation stage, strategic thinking should be employed to avoid the decline stage. This can be addressed through the adoption of broad government policies and strategies, followed by strategic planning (Steyn & Spencer, 2011). In this study emphasis is made on the implementation of BSR in the tourism industry in order to avoid the decline stage from the regional perspective.

Nemasetoni and Rogerson (2005) and Tassiopoulos (2009) maintain that South Africa's tourism industry is highly oligopolistic, dominated by a minority of large, mostly locally owned tourism businesses. Although SMTEs constitute 95 per cent of the total tourism businesses, in contrast to widely held business contentions SMTEs contribute less than big businesses to job creation and empowerment (Rogerson, 2005; Tassiopoulos, 2009; Steyn & Spencer, 2011). Currently, approximately six big

tourism companies control between 60 and 70 per cent of South Africa's entire tourism industry (Tassiopoulos, 2009). In the accommodation sub-sector, Southern Sun, Protea and Sun International are the leading companies, and in the travel and touring sub-sector Imperial Car Rental, Thompsons Travel, Rennies and Avis are market leaders (Tassiopoulos, 2009). This background information played a major role in this study. The researcher believed that government intervention through policies and regulations is a matter of urgency to normalise the development of tourism in South Africa.

Rogerson (2005) provides a more thorough description of South African tourism. It is conceptualised as a three-tiered hierarchy of enterprises, where the elite group of large enterprises responsible for, among other things, policies, infrastructure development and investment is at the top. These are the country's major foreign travel and tour agencies, transportation companies, hotels, casinos and conference centres. The middle tier consists of established groups of SMTEs that are mostly White owned. These businesses manage a host of different establishments, including travel and touring companies, restaurants, small hotels, self-catering units and resorts, game farms, bed and breakfasts and backpacking hostels. The lowest tier represents the emerging Black-owned tourism economy and consists of formally registered micro-enterprises and a mass of informal tourism enterprises. The latter is the focus of the national government's plans. The South Africa's three-tiered hierarchy of tourism business showed imbalance of power and resources ownership by those driving the industry. It showed that only few, mainly large foreign-owned tourism business are responsible for policy and infrastructure development. If tourism BSR polices are left in the hands of these large companies, the middle White owned and Black owned tourism business may continue suffering.

South Africa's government aims to change the ownership structure of the tourism industry in the country by encouraging more Black involvement in this sector (Rogerson, 2005). However, the three-pronged nature of South Africa's tourism industry, where the industry is encouraged to be privately managed and government-led with community involvement, presents challenges (Department of Environmental Affairs and Tourism, 1996). Additionally, the government has launched numerous tourism initiatives, such as Tourism Enterprise Development (TEP) and a welcoming

campaign using a new slogan ("Discover South Africa, rediscover yourself") in the hope that previously disadvantaged groups will benefit. Little has been done to promote BSR by either the industry or the government. Steyn and Spencer (2011) argue that community projects are in their initial stages and require a great deal of attention. This is regardless of the government's initiatives such as the Community Work Programmes (CWPs) and Expanded Public Works Programmes (EPWPs).

The CWP aims to provide an employment safety net with a basic minimum income of at least R560 per month; the EPWP provides short- and long-term work opportunities and training to unemployed and unskilled individuals. Makalip (2014) identifies these as the most effective and meaningful community programmes for the country, and all sectors need to support them. The lack of community projects could stem from Satour being phased out and the newly formed SAT not inheriting Satour's employees, employing new workers through empowerment and affirmative action policies instead. These individuals had lesser qualifications and experience, which resulted in a large decrease in visitor arrivals due to inefficiency and poor service delivery, delaying the development of tourism in the country (Steyn & Spencer, 2011). BRS activities need to be encouraged to avoid any further decline of visitor arrivals due to lack or poor qualifications and experiences. Training is a vital aspect of tourism BSR initiatives.

Juggernath *et al.* (2010) are of the view that the tourism business sector has a role to play in the promotion of equality, hence the need for businesses to implement BSR policies. However, according to Nyakunu and Rogerson (2014), there are three key limits to tourism BSR policy implementation in South Africa, namely operational, structural and cultural. The operational factors refer to lack of communication, information sharing and coordination; structural limits include power issues, differences and organisational barriers; and cultural limits refer to stakeholders' cultural and knowledge differences (Nyakunu & Rogerson, 2014). The current study was designed to identify and analyse the extent to which these key limits affect South Africa's tourism BSR policy implementation.

Nyakunu and Rogerson (2014) assert that society and the economy benefit from tourism development in developed countries. The tourism business sector's

involvement in bridging the gap between the previously disadvantaged and the advantaged groups should not be the responsibility of the state only (Juggernath *et al.,* 2011). Private tourism businesses should assist in the transformation process by removing the scars apartheid policies left on previously disadvantaged groups. The tourism private sector should not only commit to voluntary projects but should do so under the guidance of established legislation.

Heath (2001) and Nyakunu and Rogerson (2014) agree that the partnerships between the government and private tourism sector should continue to grow to ensure sustainable tourism development. To strengthen this partnership, private tourism business should form trade associations to gain improved government support (Nyakunu & Rogerson, 2014). Private tourism businesses provide most services that tourists require to reach their destinations and the products consumed while on site. Thus, a social responsibility element should feature in private tourism sector strategies. Prior to 1994, the South African tourism private sector contributed to the restoration of historical buildings (Steyn & Spencer, 2011). Non-profit organisations dealt with the monitoring and overseeing of a large number of the attractions at tourist destinations (Sillignakis, 2003). The tourism private sector should continue doing so, although this sector is mostly concerned with profit and less concerned with the social good. According to Eja *et al.* (2011), the tourism private sector must be involved in the social and welfare aspects of the development and promotion of tourism.

4.8 SA Tourism Policy Formulation and Implementation in the Apartheid Era

Nyakunu and Rogerson (2014) indicate that different government socio-economic policies and other regulatory initiatives indirectly determine the outcomes of tourism activities. The fragmentation that emerges within these various government departments leads to failure in the coordination of tourism BSR policies, and this may result in the 'silo' approach to tourism development. Although the effects of South Africa's tourism policies date back to colonialism, the current study focuses on the tourism BSR policies that emerged after 1948 during the apartheid era and since 1994 following the establishment of the first democratic government. During the

apartheid era, tourism was not seen as the main industry in South Africa. Apartheid tourism BSR policies favoured the White minority and restricted the participation of local Black communities in tourism development (National Labour and Economic Development Institute (Naledi), 2001; Nyakunu & Rogerson, 2014).

Juggernath *et al.* (2011) state that the apartheid government excluded Black African, Indian and Coloured people from the centre of the tourism economy. The National Party introduced apartheid policies that significantly affected the development and management of tourism resources in South Africa. This was the first time in the history of the country that politics had a direct influence on the development and management of the tourism industry (Steyn & Spencer, 2011). The apartheid regime promoted segregated tourism facilities and amenities based on racial classification. There were beaches, hotels and other facilities intended for the White and Black African racial groups respectively. This resulted in the exclusion of Black South Africans from participating in the tourism industry, and today South Africa's tourism industry remains a predominantly White industry, with Black people finding it difficult to enter the tourism market.

Moreover, Steyn and Spencer (2011) mention that apartheid policies led to international tourists developing negative perceptions about the country. Consequently, tourism growth slowed and fluctuated, with a sharp decline of tourist arrivals experienced from 1966 to 1986. In 1993, shortly before the first democratic election, government policy leaned towards the privatisation of most state-owned enterprises linked to tourism. This included the Airports Company of South Africa (ACSA), South African Airways (SAA), the Blue Train and major harbours (Steyn & Spencer, 2011). Of these privatised tourism businesses, Steyn and Spencer (2011) claim only the Victoria and Alfred Waterfront in Cape Town is successful. Furthermore, the former government focused on the conservation of heritage areas, which led to the establishment of numerous national parks and reserves that kept the country in the international spotlight. From a tourism and environmental point of view, this strategy accommodated White people and the international community. Some of the conservation policies were implemented at the expense of Black people, many of whom were relocated during the establishment of these conservation areas (Steyn & Spencer, 2011).

This supports the researcher's argument that tourism businesses need to engage in BSR activities. Whether tourism businesses that benefitted from apartheid should practice BSR is a contentious issue. The discussions above indicate an inequality within South African society resulting from past policies that favoured most tourism businesses over local communities, and the privatisation of state-owned tourism businesses, including conservation areas, favoured only a few individuals. It is within this context that the researcher promotes the adoption of BSR in the tourism industry as a strategy to empower the poor.

4.9 SA Tourism Policy Formulation and Implementation Post-Apartheid Era

The post-apartheid government has shown some interest in incorporating tourism development BSR policies in its economic development programmes. However, at first, the Industrial Strategy Project (ISP) initiated by the Congress of South African Trade Unions (Cosatu) focused mainly on the manufacturing sector. Moreover, the African National Congress (ANC) alliance's Reconstruction and Development Programme (RDP) made little mention of the role tourism BSR could play in developing the economy. It was only in 1995 that South Africa took sustainable tourism development seriously (NalediI, 2001). The Green Tourism Paper, introduced in 1995, aimed to deliver RDP objectives, as indicated in Table 4.3. In addition, the 1996 White Paper for Tourism outlines the importance of responsible tourism. However, in the absence of strong tourism BSR policies and with a lack of support from labour unions, such as Cosatu, tourism businesses were unconcerned about BSR issues (Naledi, 2001).

According to Visser (2005), the development of corporatism and big unions, such as Cosatu, marked the transition to South African democracy. The tri-partite alliance of the ANC, Cosatu and the South Africa Communist Party (SACP) became the central custodian of the new government (Desai, 2003). Prior to the 1994 democratic elections, the ANC agreed to adopt Cosatu's RDP. The programme addressed elements of social security, focusing on the provision of jobs, land, housing, water, electricity, telecommunications, transport, a clean and healthy environment, nutrition, health care and social welfare to previously disadvantaged South Africans. The RDP

did not include issues around tourism BSR. Although the neoliberal approach has become popular in other parts of the world, South Africa continues with the social development approach. The country achieved its social security target through the RDP.

However, skills shortages in RDP staff led to difficulties in the implementation of the programme, and access to basic services became a significant problem. The RDP lacked specific targets and focused on satisfying capitalist interests (Visser, 2005). In addition, RDP funding became a major problem for the government. Funding was depleted because international donors supplied most of these funds. Although the government implemented numerous strategies to fund the RDP, the redirection of the budget towards social services failed due to resource scarcity and competition between government departments (Visser, 2005). Hence, the researcher questions the contribution of South African businesses, particularly in the tourism industry, in assisting government to address the social challenges the country faces.

According to Fig (2005), businesses began seducing the former liberation fighters "into a culture of golf days, cigar bars, conspicuous consumption and recognition in the social pages". The ruling party's shift from socialism to capitalism became problematic, especially between the ANC and Cosatu, because the gap between the rich and poor was widening as a result of MNCs and TNCs' abilities to influence government policies to suit their interests while having short-term plans for sustainable tourism development. In addition, the private sector felt that the pace of privatisation was too slow, although BEE was proceeding rapidly. The private sectors, including tourism, further felt that legislation governing working conditions, such as guaranteeing minimum wages for farm and domestics workers, and the implementation of affirmative action laws negatively affected businesses (Visser, 2005). This indicates the reluctance of South African businesses generally and tourism business particularly to contribute to BSR by empowering the poor.

In 1996, the country faced its first major currency crisis. During this time, economic considerations began dominating South African government policies, and the focus shifted from RDP to economic growth. The government was forced to embrace a conservative macro-economic strategy, known as the GEAR strategy, to manage

domestic capital and international foreign markets. The GEAR strategy reaffirmed that South Africa's economic development should be led by the private sector while the state plays a reduced role in the economy. It also indicated that state-owned assets should be privatised.

Peck and Tickell (2002) argue that neoliberalism became the model used to regulate the extensive spheres of socio-economic activities. However, Desai (2003) contends that the GEAR programme attempted to move away from the apartheid service model in which the government subsidised and delivered municipal services. Scott (2011) and Asamoah (2013) describe neoliberalism as a policy in which communities or stakeholders play a major part in the policy formulation process and development of issues. Nevertheless, the GEAR programme favoured the private sector and tourism policies were created to accommodate the private sector. Hence, in South Africa and many developing countries, tourism businesses are reluctant to engage in BSR activities. Nyakunu and Rogerson (2014) contend that the governments of other developing countries, such as the Namibian government, also adopted neoliberal development policies by encouraging foreign investment. In 2010, the South African government was forced to introduce the NGP with the intention of increasing job creation while reducing unemployment (Department of the Presidency, 2013). It will not be easy to achieve the goals of the NGP if there is a lack of communication with the tourism private sector.

With regard to tourism policy, the Tourism Green Paper was introduced in 1995, followed by the White Paper on Tourism Development and Promotion in 1996. This allowed tourism businesses greater power in support of GEAR objectives (Visser, 2005). The White Paper was the responsibility of the Department of Environmental Affairs and Tourism (DEAT), and the policy supported the GEAR strategy of stimulating economic growth among the poor, especially in less developed areas. In addition, the White Paper rectified some significant limitations that emerged from the 1992 White Paper on Tourism. The 1992 White Paper focused more on the environment and less on the social and economic aspects of tourism development (Steyn & Spencer, 2011). Other areas that were excluded from the White Paper were the involvement of local communities and the empowerment of previously disadvantaged people. Monshausen and Fuchs (2010) argue that there needs to be

a strong focus on environmental issues in conjunction with an emphasis on social aspects of tourism development.

Steyn and Spencer (2011) mention that the restructuring of tourism in South Africa was achieved through three major phases, with policies formulated in 1992, 1996 and 2005. Following the emergence of the democratic government in 1994, several micro-tourism policies for the country were introduced (see Table 4.3). Micro-tourism policies are the rules and policies that govern the activities of tourism businesses to ensure a competitive edge for the country. These policies led to the establishment of frameworks, guidelines and initiatives that promote sustainable tourism development in South Africa. Furthermore, the policies were formulated to manage the negative effects associated with tourism development.

Table 4.3: Summary of government tourism policy development shifts, 1994 to

Policy focus	Time period	Policies developed	Simplistic character of policies
Process focus	1994 to 1996	Tourism Green Paper	Capitalise on tourism for the implementation of RDP; planning and institutions given priority.
Product focus	1996 to 1998	Tourism White Paper Satour Act amended	Solving problems in the industry by creating a local product.
Customer focus	1998 to 2001	Tourism in GEAR	Tourism Action Plan: Capitalise on tourism to implement GEAR, marketing SA as a world-class destination, focus on international tourism.
Development focus	2001 - current	National Tourism Sector Strategy The Tourism Act	Inspire and accelerate the responsible growth of the tourism industry from 2010 to 2020. Ensures the development and promotion of sustainable tourism from which the whole country, its citizens and visitors can benefit.

date (Naledi, 2001:31; Tibane & Vermeulen, 2013:34)

Seven tourism-linked spatial development initiatives (SDIs) were launched in 2005 to stimulate investment and development in selected areas. The preparations made for hosting the 2010 World Cup tournament and its requirements forced the inclusion of SDIs for ASGI-SA as an immediate priority (Steyn & Spencer, 2011). The government of South Africa further published numerous policy documents, mostly regarding the environment. Twenty-eight international and national conventions, protocols and agreements and 33 related bilateral agreements were formulated.

However, despite numerous policy initiatives, community involvement and empowerment have been unsuccessful, a problem endemic to countries in sub-Saharan Africa (Steyn & Spencer, 2011). In Namibia, for example, tourism policy

remains based on the interests of tourism businesses while neglecting the involvement of local communities (Steyn & Spencer 2011; Nyakunu & Rogerson, 2014). Although the South African government formulated various tourism policies, these policies support the GEAR strategy, which endows the tourism industry with power. Most importantly, none of the established policies emphasises BSR commitment. Currently, few tourism businesses are engaged in BSR initiatives.

4.10 Chapter Summary

This chapter covered the political ideology of tourism development and included discussions about policy formulation and implementation, and accountability. The difference between policy and metaphoric issues were outlined, and the concept of globalisation and its relationship with tourism and sustainability were explored. A discussion of the development of tourism and its role in shaping the socio-economic policies and issues in South Africa followed. Chapter Five, an enhancement of this chapter, addresses business social responsibility.

Chapter Five

Literature Review: Business Social Responsibility

5.1 Introduction

Globally, tourism and tourism for development are largely driven by economic-market interests. This is aligned to the processes of globalisation which are fundamentally driven by economic-market priorities protected by political ideologies. This is even more evident in the context of developing countries which have to develop and align tourism policies that guarantee economic-market interests. The framework background provided in Chapter Four of this thesis highlighted the development of tourism in South Africa with emphasis on the role of the private sector in tourism industry. In this chapter, the purpose is to deepen this discussion and search for more insights regarding the role of the tourism private sector and its relationship with BSR. The origins and development of BSR are discussed, followed by analyses of various models and theories of tourism business operations. The chapter concludes by providing some insights into the role of government in regulating tourism businesses in the African and South African contexts.

5.2 The Origins and Development of BSR

Newell and Frynas (2007) note that tourism BSR can be designed in various ways. Consequently, there are numerous approaches to tourism BSR. The most popular approach is philanthropy. Incorporation of tourism BSR activities to business strategies is also another approach common among tourism businesses. Other tourism businesses involve in BSR programmes for benchmarking in the competitive environment. Newell and Frynas argue that tourism BSR is anything one needs it to be, while Evngelinos, Zotou, Kavakli and Balis (2008) highlight that many socio-economic theories relate tourism BSR adoption processes to variables such as the size, age and profit volumes of businesses. According to Lund-Thomsen (2005), tourism BSRs have been a subject of many discussions and debates over the years, which take various forms and are supported by different interests, as reflected in Table 5.1. The current study seeks to assess an understanding and origin of BSR

concept in the South African tourism industry, with a particular reference of Western Cape Province.

Crane and Matten (2007) indicate that globally BSRs date as far back as the 1950s in the form of philanthropic activities. During this period, companies typically supported good initiatives with donations, and the BSR concept developed around social and environmental issues, ethics and stakeholder interests. Diorisio and McCain (2012) argue that philanthropy was initially entirely charitable. Today, most tourism companies are integrating BSR in their business core strategies to empower the poor and marginalised sections of society (Lund-Thomsen, 2005). Although this is the case, a key issue is on the extent to which tourism businesses empower the poor, more also how well this BSR phenomenon is known in the South African tourism industry. Hence, this study was undertaken. Taru and Gukurume (2013) state that although BSR has a long and protracted history, it is a new phenomenon in the tourism industry. While it is evident that the concept of BSR has been around since the 1950s, the fundamental question of the current study relates to the sustainability of its application since its inception, and the changes that have been occurring in its implementation.

Table 5.1: A timeline of ethical and socially responsibility concerns (Adapted

A timeline of ethical and social responsibility concerns				
1960s	**1970s**	**1980s**	**1990s**	**2000s**
-Environmental issues -Civil rights issues -Increased employee-employer tension -Honesty -Changing work ethic -Rising drug use	-Employee militancy -Human rights issues -Covering up rather than correcting issues -Discrimination -Harassment	-Bribes and illegal contracting practices -Influence peddling -Deceptive advertising -Financial fraud -Transparency	-Sweatshop and unsafe working conditions in developing countries -Rising corporate liability for personal damages -Financial mismanagement and fraud	-Employee benefits -Privacy issues -Financial mismanagement -Intellectual property theft -Responsible consumption -The role of business in promoting sustainable development

from Business Ethics Timeline cited by Ferrell, Hirt & Ferrell, 2009:39)

Crane and Matten (2007) identify four BSR generations. The first encompasses business social stewardship, which was common among very few tourism businesses in the 1950s and 1960s in the developed countries. Voluntary philanthropic initiatives that provided funds to support different projects were the main influences during this phase. These initiatives aimed at closing the gap between the rich and poor, mostly through donations. Donations from these few tourism businesses were made for education, health, community groups, youth groups and other social projects. According to Crane and Matten (2007), tourism businesses in countries that have few rigorous legal requirements, such as the United States, use this approach. After World War II, the focus of these tourism businesses was on the necessity to continue supporting colonised countries such as South Africa; education and health became priorities, while the control of local resources remained in the hands of foreign governments. Today, the local resources are still in the hands of the minority and foreign-owned tourism business. The researcher argues that BSR initiatives should be strengthen to minimise the dominance of the elite over local resources.

The second generation of tourism BSR developed during the 1980s and 1990s and was characterised by business social responsiveness to local political, social, economic and environmental conditions. It developed because of growing public social activism towards the industry of tourism. Activists demanded that tourism companies move from passive to active actions and advance beyond voluntary philanthropy (Crane & Matten, 2007). This raised different views and opinions as well as questions among geographers and tourism researchers, such as whether BSR should be an enforced or voluntary practice, and who should choose the type of BSR activities to implement. From this perspective, Broomhill (2007) argues that BSR should be a voluntary exercise tourism businesses choose to practice. Evngelinos *et al.* (2008) believe that tourism businesses should rather invest only in those areas where they are likely to have a competitive advantage to sustain themselves. Hence, the current study investigated the BSR driving forces of the Western Cape tourism businesses. The study also provides an in-depth analysis of tourism businesses' compliance with government regulations rather than their commitment to BSR.

Mah (2004) mentions that tourism businesses operate in the context of changing ideas and ideologies. Thus, while liberalisation and deregulation intensified privatisation in the 1970s and 1980s in regions such as the United Kingdom, globalisation was to consolidate privatisation on a global scale (Kinderman, 2012). Large foreign-owned tourism businesses began monopolising the industry, especially in developing countries, and many local resources benefitted the international market rather than local markets. This highlighted the importance for tourism businesses to justify their existence in local communities through BSR initiatives. The developing countries such as South Africa and the Western Cape Province in particular continue to attract foreign-owned tourism businesses.

Most developing countries became the prime targets of globalisation and privatisation. Although this was obvious in mining sectors, the tourism industry was also affected. Neoliberalism of tourism became a serious worry, especially to indigenous people in South Africa. The disputes over land that was subject to tourism use, such as South Africa national parks and reserves, became serious concerns among local communities as the power over land and resources was taken away from them. During this era, developed countries fought over the resources of

South Africa and other developing countries. Mah (2004) further states that the unification of movements and launch of a public relations campaign during the mid-1970s were responses to the general dissatisfaction over tourism businesses' control of land and resources.

It was only from the 1980s to the 1990s that tourism businesses in developed countries began applying BSR approaches to business operations. However, at this period more damage was already caused. Nonetheless, the call for change came from public protests through demonstrations and campaigns expressing worker expectations to various tourism companies. In addition, the results of the undesirable activities of some corporations, which negatively affected society, were the main motivators of public protests during this era (Mah, 2004). For example, working conditions at indirect tourism businesses such as Newmont Mining Corporation in Namibia were deplorable, and Nestlé was accused of promoting malnutrition and infant death in numerous countries through its infant formula. Today, Nestlé is recognised as one of the top ten socially responsible companies (Zhou, Poon & Huang, 2012). The protests led to new government regulations in the interests of workers, the environment, society and the economy (Thomsen, 2005). In South Africa, tourism companies had to specify their social responsibility activities to operate internationally (Mah, 2004). Nevertheless, the involvement of foreign tourism businesses in BSR in developing countries remains questionable. The current study examined the extent and effectiveness of foreign-owned tourism businesses' implementation of BSR activities that promote empowerment rather than dependency. Other tourism BSR forces in the Western Cape rather than international acceptance were also evaluated in the this study.

The imperative of tourism business ethics, with an emphasis on stakeholders' rights, fairness and justice, ushered in the third BSR era (Crane & Matten, 2007). The concept of BSR was communicated through mission statements, codes of ethics and audits. Indirect tourism companies such as Shell and British Petroleum (BP) and direct tourism businesses like Sun international hotels used BSR to improve the conditions of their workers. The fourth phase covers corporate global citizenship in the tourism industry from the 1990s and 2000s to date. It concerns the importance of tourism companies treating all business stakeholders with respect and dignity while

being mindful of their other impacts. Although this phase is more popular with companies such as Coca Cola and Microsoft, Richter (2001) argues that tourism corporations are engaging in corporate responsibility and philanthropy activities to prove that government regulations are unnecessary. Thomsen (2005) contends that many tourism companies are willing to incorporate social activities into their core business routines to create more wealth because they now see some positive feedback effects between BSR, customer patronage, worker productivity and business profits. An understanding of different reasons for BSR engagement in the tourism industry in the Western Cape Province was found imperative to the current study to inform policy formulation processes.

During the fourth phase of tourism BSR, governments designed laws to regulate activities and hold tourism companies accountable for their activities. Governments in developed countries established regulatory bodies which also were applicable to the industry of tourism, such as the Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA) (Crane & Matten, 2007). In addition, other regulatory bodies such as the International Code of Marketing of Breast-Milk Substitutes in 1981, the 1985 FAO International Code of Conduct on the Distribution and Use of Pesticides and the 1985 UN Guidelines for Consumer Protection were implemented in the 1980s (Mah, 2004).

According to Mah (2004), few tourism corporations began acknowledging the positive effects of business social responsibility initiatives. These tourism companies began focusing on issues such as industrial pollution and the improvement of occupational health. Broomhill (2007) states that, to avoid public criticism and attempts at regulation, tourism corporations are re-establishing their legitimacy by adopting BSR strategies. This provided the basis for raising fundamental questions about the purpose and goals of BSR in South Africa. Although much has been achieved to date in relation to BSR, in South Africa tourism foreign direct investors and TNCs do not have any legally binding global code of conduct (Mah, 2004). BSRs in South Africa and globally is mainly a self-regulated and voluntary activity, which raises concerns about the tourism industry's impacts on society and the environment (Mah, 2004; Broomhill, 2007). Nevertheless, some international standards and guidelines do exist. These include the UN Global Compact, and the ISO 14000 and

14001 environmental standards developed by the International Organisation for Standardization (ISO) in Switzerland (Mah, 2004). The UN Global Compact features the nine principles of core values in the areas of human rights, labour and the environment aimed at guiding tourism businesses in BSR activities, as discussed in Chapter Two. However, the level of awareness and adherence with these international standards and guidelines in the tourism industry are questionable.

Blowfield (2007), Coles, Fenclova and Dinan (2013), and Taru and Gukurume (2013) argue that the classical forms of BSR activities within the tourism and hospitality sectors tend to have a characteristic environmental bias with an emphasis on the efficient use of energy and technology. In response to Agenda 21, international tourism sustainability guidelines were established through a collaboration between the WTO, WTTC, and the Earth Council. However, the guidelines favoured environmental issues. In 2010, ISO established ISO 26000, commonly known as ISOSR, an international standard that provides guidelines for social responsibility. Its aim is to encourage tourism organisations to discuss their social responsibility issues and possible actions with the relevant stakeholders (Zhou *et al.*, 2012). In addition, the organisation intends to provide practical guidelines for implementing social responsibility, identifying and involving stakeholders, enhancing reports and claiming credibility (CBI Market Information Database, 2010). The researcher in the current study argues that in developing countries the level of tourism BSR regulations binding is very weak. There is lack of government intervention, which promotes decision-making and power in the hands of foreign tourism multi-corporations.

The recent establishment of ISO 26000 requires a more detailed analysis to determine the tourism industry's view on environmental bias. Hence, some of the objectives of this study focused on identifying the various types of BSR activities carried out by the Western Cape tourism industry. The researcher also analysed the Western Cape tourism sector's approach to, and interpretation of, BSR and assessed the contribution of such BSR activities to local economic development. Furthermore, the role of the tourism private sector as the main tourism development agency was investigated. Sharp (2006) states that international and national development agencies have planned to introduce a BSR development list since the

late 1990s, and the researcher considered the significance of this intention in the study.

5.3   The Tourism Industry's Approach to the Concept of BSR

There is confusion in tourism industry regarding the application of sustainable development, responsible tourism and BSR concepts. Sustainable tourism refers to protecting and preserving resources for future generations, but focuses excessively on the environment. Hence, responsible tourism emerged, which shifted the focus to the triple bottom line comprising the environment, society and the economy. Because the industry found the two concepts confusing, it shifted towards BSR, in which tourism businesses commit not only to the triple bottom line but also to empowering economically marginalised groups and communities through employment, equity and entrepreneurship (Department of Environmental Affairs and Tourism, 2002). Sharp (2006) is of the view that many questions remain unanswered in relation to BSR and its contribution to development and assisting in fulfilling the United Nations Global Compact development goals set in 2000. In the current study, the researcher hoped to provide solid answers in relation to tourism BSRs, its meaning to South Africans and its contribution on community empowerment in South Africa.

Evngelinos *et al.* (2008) point out that although there are many definitions of tourism BSR, most definitions incorporate the following five dimensions: voluntariness, stakeholder, social, environmental and economic dimensions. According to Ferrell *et al.* (2008), business responsibility refers to the principles and standards that establish acceptable conduct in business operations as determined by the tourism business stakeholders, namely customers, government regulators, competitors, members of the public and interests groups, and includes individuals' personal moral principles and values. The researcher applied a stakeholder theory to assess the level of stakeholders' inclusion in the tourism businesses decisions and operations. The ISO 26000 social responsibility standard defines BSR as responsibility for the effects of tourism business decisions and activities on society and the environment through transparent and ethical behaviour. Sharp (2006) explains that the concept of tourism BSR covers a wide range of activities, such as building relationships and

compensating both employees and non-employees through philanthropic activities. These in turn promote debates on its effectiveness, outcomes and impacts. Table 5.2 shows the seven principles and core subjects of ISO 26000.

Table 5.2: Seven principles and subjects of ISO 26000 on social responsibility

Seven principles	Seven subjects
Accountability for the organisation's impacts on society and the environment	Organisational governance
Transparency in the organisation's decisions and activities that impact society and the environment	Human rights
Ethical behaviour at all times	Labour practices
Respect, consider and respond to the **interests of the organisation's stakeholders** (e.g. employees)	Environment
Accept and **respect for the rule of law is mandatory**	Fair operating practices
Respect international norms of behaviour while adhering to the principle of respect for the rule of law	Consumer issues
Respect human rights and recognise their importance and universality.	Community involvement and development

(CBI Market Information Database, 2010:2)

In the current study efforts were made to identify and interpret various ISO 26000 principles and subjects on social responsibility activities in which the Western Cape adopted and their relevance to the province and the country socioeconomic challenges. The principles and subjects of ISO 26000 on tourism social responsibility are clear, and some appear in the King Report III. The King Report III is the third South African report on corporate governance, published in 2009. It stemmed from changes in international trends and the new South African Companies Act (Act no. 71 of 2008). It follows the publication of the King Report I in 1994 and King Report II in 2002. One of the purposes of this study was to establish the level of awareness of and adherence to BSR guidelines at local and international level. The government is responsible for creating awareness of and ensuring adherence to tourism BSR guidelines, and it should encourage their implementation. However, in relation to

developing countries, this remains a challenge, as BSR approaches in the tourism industry differ and philanthropy is applied before legal requirements.

In addition to these principles, BSR in the tourism industry is characterised by various approaches and dimensions. Three BSR approaches have become dominant, namely the shareholder approach, the stakeholder approach and the societal approach (Van der Merwe & Wocke, 2007). The shareholder approach supports Friedman's view that a tourism business's responsibility should solely be to make profit. The stakeholder and societal approaches define a tourism business's responsibility as to compensate those affected by the tourism business's activities (Dzansi & Pretorius, 2009). As indicated in Chapter Four of this study, the 2002 dialogue on tourism BSR held during the WBCSD in Johannesburg resulted in a BSR definition that takes a societal approach. In these terms, BSR in the tourism is a business commitment continuing to behave ethically, contributing to economic development, and improving the workforce's quality of life and that of their families, local communities and society at large (Cowper-Smith & De Grosbois, 2011).

The dimensions of BSR, as identified on the pyramid of tourism social responsibility, are economic, legal, ethical and voluntary (philanthropic) responsibilities (Huniche & Pedersen, 2006; Ferrell *et al.,* 2008; Diorisio & McCain, 2012). The first two responsibilities are mandatory, while the rest are deliberate (Diorisio & McCain, 2012). The current study focused on tourism businesses' ethics and philanthropy activities because profit generation is the economic foundation of tourism business and legal responsibility usually follows automatically (Ferrell *et al.*, 2008). The King Report III (2009) explains that the obligation of directors and officers in every tourism business is to perform their lawful responsibilities. These responsibilities are divided into two categories, namely skill, diligence and fiduciary responsibilities and duty of care responsibilities. According to Ferrell *et al.* (2008), tourism businesses are now accepting liability for ethical and social responsibilities. The researcher investigated the findings of Ferrel *et al.* (2008) within the context of the Western Cape tourism industry. These two dimensions are discussed below in relation to the tourism industry.

5.3.1   The Nature of Ethical Responsibility in the Tourism Industry

Ethical issues are categorised as abuse and intimidation that occur in tourism businesses, objectivity and trustworthiness, and conflicts of interest resulting from tourism employees' communication and tourism business associations. According to Ferrell *et al.* (2008), the tourism businesses' ethical responsibility elements are affected by three factors, as indicated in Figure 5.1.

Tourism individual standards and values		Tourism managers and co-workers' influence		Opportunity: Codes and compliance requirements		Ethical or unethical choices in tourism business	**Three factors that influence tourism business**
	+		+		=		
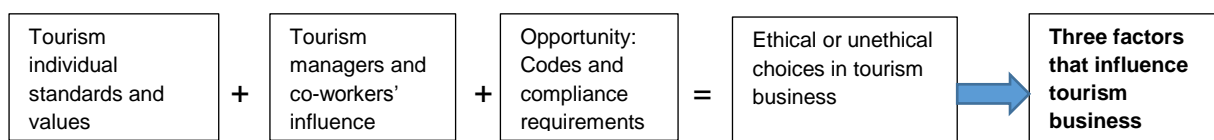
Figure 5.1: Three factors that influence tourism business ethics (Ferrell *et al.,* 2008:49)

Critical realists refer to ethical issues as ideally real. Ethical issues impact on employees' behaviour and their relationship with business stakeholders. Figure 5.1 indicates that individual tourism employees have control over their personal ethics outside the workplace. However, in the workplace, colleagues and managers in the tourism businesses have control over individuals' choices through authority. For example, if a tourism manager uses vulgar language, employees may do the same (Ferrell *et al.*, 2008). The South African King Report III (2009) identifies the following tourism ethical business considerations in South Africa:

- Responsibility - to oversee tourism businesses' possessions and activities, and willingness to perform counteractive actions to fulfil business strategies;
- Accountability - justifications of tourism business decisions and actions to internal and external shareholders;
- Fairness - ensuring that the tourism business considers the genuine interests and anticipations of all stakeholders; and

- Transparency - being able to disclose information that enables stakeholders to carry out an informed analysis of tourism business activities and sustainability.

These ethical considerations were applied in the current study to test the level of social responsibility on the surveyed tourism business internal and external stakeholders. Ethical considerations are significant in the tourism industry. Tourism products have four characteristics, namely perishability, intangibility, variability and inseparability, which differentiate them from manufacturing products, such as cars (George, 2011). Perishability means that if an airline departs with some empty seats, these seats cannot be kept or stored for later use. Thus, tourism managers and employees should avoid any abusive behaviour and intimidation towards each other and their customers because happy employees attract more customers and to improve the level of service delivery. This ultimately reduces the likelihood of empty seats on future flights.

Variability refers to the fact that the service delivery of tourism products differs from one place to another, and from one individual to another. It is essential to instil honesty and fairness in the tourism industry's managers and employees due to the variable nature of tourism products. Standardising tourism products is difficult because tourism products and service rely heavily on human beings, and because people cannot be programmed like machines, service is bound to vary. However, if tourism employees are fair and honest, they will attempt to be fair in their decisions and honest about companies' prices and contracts at all times regardless of their moods and willing to be held accountable for mistakes.

Intangibility means that tourism products cannot be touched, seen or tasted prior to purchase. A tourism business needs to use brochures, DVDs and websites to make its products tangible. The information supplied should be transparent while avoiding false advertising. Inseparability refers to the fact that tourism products are consumed in the presence of employees. A meal service at a hotel includes the waiter, who is present during the consumption of the meal. A waiter or tour guide's rudeness or unprofessional dress code negatively affects the entire service or product. A fundamental argument in this study was also around the necessity for the tourism

businesses to be ethically considerable towards their customers due to the nature of their products and services as discussed above. Ethical consideration in the tourism businesses enhances the relationship between a tourism manager and employees, which eventually is extended to customers leading to a repeat business.

5.3.2 The Nature of Social Responsibility in the Tourism Industry

The nature of tourism social responsibility refers to a business's obligations to increase its positive impacts while minimising its negative impacts on those affected by its business activities (Darrtey-Baah & Amaponsah-Tawiah, 2011). Tourism social responsibility differs from tourism ethical responsibility in that it concerns the effects of the entire tourism business on stakeholders (Ferrell *et al.,* 2008; Dzansi & Pretorius, 2009). The tourism ethical responsibility component focuses on individual and group decisions that the public considers correct or incorrect (Ferrell *et al.*, 2008). For example, if a hotel overcharges the government for room and meal services, the issue relates to ethics. In the social responsibility context, the concern would be about the effect that overcharging has on the delivery of quality service to all citizens, which then raises question on company's corporate citizenship (Ferrell *et al.,* 2008). In addition to the identification of the four South African business ethical considerations, the researcher assessed their level of application in the tourism industry's BSR initiatives. Corporate citizenship is the extent to which tourism businesses fulfil their economical, legal, voluntary and ethical duties.

The voluntary (philanthropic) responsibility element is divided into three components: strategic, reactive and purely humanitarian philanthropy (Diorisio & McCain, 2012). The strategic philanthropy element is a tourism business approach that combines business and societal values. Reactive philanthropy focuses on tourism business and social values and responds to negative events. Reactive philanthropy is further divided into two types. Giving can stem from the desire to provide help or from a reaction to a situation that could tarnish the tourism company's image although the business does not necessarily want to help (Ferrell *et al.*, 2008). Tourism businesses may practice reactive philanthropy to escape government pressure. Purely humanitarian philanthropy is similar to strategic and reactive philanthropy but stems

from an altruistic motive where tourism businesses give generously and aim to improve quality of life or promote something positive (Diorisio & McCain, 2012). The reasoning behind voluntary responsibility determines the types of tourism BSR activities and the level of impacts on stakeholders. The researcher questioned the tourism industry's motivations for voluntary responsibility in relation to the concept of sustainability.

5.4   Theories of Business Social Responsibility

Lund-Thomsen (2005) identifies three tourism BSR theories, namely instrumental, political and integrative theories. According to Garriga and Mele (2004) and Lund-Thomsen (2005), *instrumental theory* refers to tourism businesses achieving their economic objectives through social activities. This is equivalent to wealth creation (Freidman, 1970). Freidman (1970) believes that the only valid theory of BSR involves a tourism company using its own resources and engaging in activities intended to increase the company's profits. These profits eventually maximise tourism business shareholder value and optimise strategies for competitive advantage. The views, opinions and perspectives of tourism business stakeholders other than shareholders are not considered as long as the tourism business is making the maximum profit. In light of this theory, tourism businesses could achieve their BSR goals by encouraging employees to become involved in social projects that augment their skills and competencies (Freidman, 1970; George, 2011). A highly skilled tourism professional is more knowledgeable and more likely to convince tourists to buy products, thus increasing sales. The problem with this theory is that it does not recognise stakeholders' values or that tourism businesses are expected to comply with laws and regulations while increasing their profits (Garriga & Mele, 2004; Lund-Thomsen, 2005).

An assessment of the tourism business' compliance with related laws and regulations while making profit was one of the main objectives of the study. Globalisation is posing a major threat to many governments and communities in the developing countries. Big tourism businesses overpower governments and communities. The *political theory* aims to apply the tourism company's power in terms of political responsibility. Tourism businesses, especially foreign-owned

companies, seek social acceptance from local communities, but also possess political power over these communities. The government pursues investment opportunities from these tourism businesses and compounds this power. Tourism businesses make demands from the government, which usually compromise society and the environment.

The *integrative theory* focuses on the encouragement of social demand and states that tourism businesses might not exist if they do not consider social demands. Although inequality emerges from the differences between the government and tourism businesses, the government intervenes to balance these two parties (Garriga & Mele, 2004). The tourism company then chooses to deal with management issues by identifying, evaluating and responding to social and political concerns that negatively affect the tourism business (Crane & Matten 2007). Hence, the researcher seeks to identify and analyse the South African government intervention through policies in the implementation of BSR in the Western Cape Province tourism industry.

As discussed in Chapter Three of the current study, the *stakeholder management theory* integrates the related parties in the tourism company's decision-making process. This theory supports the notion that tourism businesses exist because of stakeholders. Therefore, stakeholders' perspectives should be considered in developing tourism businesses' social responsibility activities (Lindgreen *et al*., 2012). A tour guide is inseparable from the delivery of services. If a tour guide is underpaid or lacks proper training and not included in decision-making of the business, tourists receive inferior touring services. Table 5.3 illustrates the types of tourism BSR theories discussed.

Types of theories	Approach	Application
Instrumental theories (Focusing on achieving economic objectives through social activities) -Long term value of maximisation -Social investment in a competitive context -Businesses' interpretation of natural resources, including dynamic capabilities -Altruistic activities that are socially renowned as marketing tool	-Maximisation of shareholder value -Strategies for competitive advantage -Cause-related marketing	Profit increase and creation of wealth
Political theories (Focusing on a responsible use of business power in the political arena) -Social responsibilities of businesses come from the social power that	-Corporate constitutionalism -Integrative social	Identification and selection of and responding to

businesses possess -The assumption of a social contract that exist between business and society -Understanding the firm as a citizen who has certain participation within the community	contract -Corporate citizenship	social stress while seeking the acceptance of society
Integrative theories (This refers to creating a balance between the demands from the society and the dependency of business on the society) -Corporate response to social and political issues -Taking law and the present socio-economic policy process as a reference for social performance -A balance between a business's interests and its stakeholders -Looking for social legality and processes to ensure effective responses to social issues	-Management issues -Public responsibility -Stakeholder management -Corporate social performance	Identifying and implementing management and business strategies that promote sustainable tourism development
Ethical theories (Focusing on the right thing to do to achieve a good society) -Maintain fiduciary duties towards stakeholders of the firm. -Application of moral theories -Consideration of people and labour, including conservation of environment -Aimed at achieving human development -Promote sustainability -Focused on common good of society	-Stakeholder normative theory -Universal rights -Sustainable development -The common good	Production of products and services that are harmless in ensuring the wellbeing of the society

Table 5.3: Tourism corporate social responsibility theories and related approaches (Garriga & Mele, 2004:63)

The following section contains a discussion of the involvement of government in the implementation of tourism BSR to identify the main roles of government in ensuring successful tourism BSR implementation.

5.5 Government's Role in the Development and Management of BSR

Governments generally have developed guidelines to bring a balance between tourism business profits and societal benefits through taxation and the introduction of regulations (Newell & Frynas, 2007). In the current study the government intervention in the implementation of BSR within the tourism industry is discussed in line of neoliberal theory, of which the present South African government embraces. To what extent does neoliberalism of tourism in South Africa supports community empowerment? Who benefits from the implementation of tourism BSR policies in developing counties? These are some of the questions highlighted by the researcher in this study. Hamann (2003) contends that BSR should not be tourism businesses' responsibility alone. In this study the researcher argues that government should provide legal frameworks and security while obtaining international funding. Vallentin (2000) asserts that governments within the European Union (EU) are promoting BSR and providing templates for the application of tourism BSR principles while

simultaneously keeping and praising its voluntary nature. A decade later Monshausen and Fuchs (2010) note that the German government is collaborating with the EU Commission to provide support for the private sector in the implementation of BSR principles. In addition, the European Alliance for BSR was founded to promote, exchange and generate BSR information in Europe. These are few examples relating to government's involvement in promoting BSR. In the absence or lack of government intervention, the extent of tourism BSR initiatives on stakeholders is debateable.

Asamoah (2013) is of the view that governments should not only provide information but should also allocate financial resources to monitor economic, environmental and social indicators of tourism business operations. However, neoliberalism of tourism promotes power over resources to multi-national tourism businesses, with less intervention of policies and regulations to enable free trade. Newell and Frynas (2007) argue that the role of tourism businesses should be determined by the government. The researcher agrees with Newell and Frynas (2007) that government should provide guidelines to assist tourism businesses in implementing BSR initiatives. However, in developing countries, governments lack the capacity to develop frameworks for tourism BSR, and policies and regulations tend to be weak. This causes inadequate generation of information, provision of funds and formalisation of tourism BSR initiatives. Unclear regulations and ineffective or non-existent policies regarding tourism BSR development and implementation lead to an approach that places philanthropy before legal responsibility. Thus, there is a lack of interest in engaging in BSR by tourism businesses in developing countries. In the case where developing countries have interest, lack of resources and skills become the main constrain of BSR implementation. It is within this background that the researcher investigates the South African government's intervention in the implementation of BSR in the Western Cape tourism industry.

Currently many tourism businesses are unaware of the national and international BSR guidelines that exist. If they are, they seldom comply with these regulations and do not face serious consequences for failure to do so (Van der Merwe & Wocke, 2007). This forms a central discussion of this study. Why tourism business are less aware of BSR guidelines while also complying rarely? According to De George

(1996, cited in John & Oliver, 1996) and Newell and Frynas (2007), because there is no agreed upon definition and understanding of BSR, it has proven difficult to apply strict standards or sanctions to firms that do not comply with any of the codes of conduct. Those who wish to contest the reach and application of any version of BSR can easily do so (Broomhill, 2007; Newell & Frynas, 2007). Tourism businesses that are aware of and comply with BSR guidelines receive little recognition and support. Important lessons about BSR implementation can be learned from developed countries, such as Germany, the Netherlands and Britain, particularly in promoting government involvement in BSR. The British government is the first, and perhaps only, government to appoint a minister of BSR (Blowfield, 2007).

5.5.1 The Foremost Intentions of Government's Involvement in Tourism BSR

Governments show interest in tourism BSR for different reasons. Steurer (2010) argues that, governments' interest in BSR lies in tourism businesses' ability to assist governments in meeting their sustainable and human development policy objectives. Hard-law regulations can be complemented easily with tourism BSR policies in cases where new guidelines are governmentally undesirable. Moreover, a decline in government interventions leads to increased stakeholder interaction and new forms of non-government interventions. In other words, BSR can be used as a component of compromise between Marxism and capitalism, as is the case in some developing countries, such as Zimbabwe (Steurer, 2010; Taru & Gukurume, 2013). Through the implementation of BSR in the tourism industry there is a guarantee of social protectionism while strengthening national economic competitiveness (Steurer, 2010).

The charitable influence on sustainability begins where formal regulations end (Steurer, 2010). Governments ensure that the lenient nature of BSR policies corresponds to a broader evolution of public authority. This moves towards network-like, collaborative modes of self- and co-regulation and away from hierarchical regulation (Steurer, 2010). Governments co-define the changes in different sectors instead of being reflexive towards change. BSR is concerned with the management of tourism businesses' relationships with a broader collection of stakeholders, and

BSR reshapes the relationships between tourism businesses, governments and civil society (Steurer, 2010). BSR policy research needs to be based on empirical study involving a systematic analysis of several (often-unsystematic) stakeholders. The researcher in this study tests Streurer (2010)'s theory in that government's involvement in BSR is influenced by its choice of socio political policies. In the case of South Africa, neoliberalist approach shapes the country's involvement in BSR initiatives. This poses a threat towards the country's tourism BSRs policies and initiatives as the private sector generally has more power over communities.

According to Steurer (2010), numerous European governments assume a leadership role in the shaping and promotion of BSR. Steurer agrees that governments can provide policy and institutional frameworks that stimulate tourism businesses. In this way, tourism businesses voluntarily increase their participation beyond the minimum legal standards. Thus, tourism businesses' effects can be felt in urban and rural areas where the majority of communities reside especially in the case of South Africa where poverty is still the main challenge in the rural and former homelands. These tourism BSR policies are characterised by the following four thematic fields of action (Argandoña, 2010; Steurer, 2010):

- *Raise awareness and build capacities for tourism BSR:* Tourism BSR is considered voluntary; therefore, its management activities and corporate performance depend on tourism companies and stakeholders' perceptions.
- *Improve disclosure and transparency:* Tourism stakeholders require reliable information about the triple bottom line of tourism businesses' performance.
- *Facilitate tourism socially responsible investment (SRI):* This refers to consideration of the tourism industry' triple bottom line in investment decisions.
- *An exemplary leader in the practices of social issues improves tourism BSR:* For example, ensuring sustainable public procurement and applying SRI principles to government funds.

Most governments find BSR in tourism business to be a strategic advantage that can be used for competitiveness and business growth in urban and rural communities, by enabling and empowering facilitation rather than as a regulatory enforcement

mechanism. However, if not properly regulated BSRs initiatives are likely to be misinterpreted. Tourism business may abuse their power while marginalising communities. Argandoña (2010) believes that stakeholder dialogue involving tourism businesses may be more appropriate in addressing the problems that are beyond the scope and control of any BSR policy. Stakeholder theory discussed in Chapter Three of this study supports this idea. A group of hoteliers, real estate developers or major tourism businesses and local councils only are considered ineffective for problem solving. Therefore, a broad-based stakeholder approach, which includes small tourism businesses, employees' unions, community representatives, NGOs and government representatives, is recommended (Argandoña, 2010). The researcher in this study argues that the identification of stakeholders is still a challenge in achieving sustainable development in the tourism industry. Tourism businesses prefer to support stakeholders that are politically powerful or have resources.

Furthermore, the stakeholder dialogue system should be open, transparent and unlimited especially in the South African context where there is less trust between tourism businesses and civil society due to apartheid policies. The stakeholder dialogue system should ensure that information is gathered properly, that everybody's point is heard, and that proposed solutions are considered (Argandoña, 2010). The researcher of the current study argues that currently the level of participation and the type of participants in the tourism BSR policies is very poor. The tourism industry employees lack skills and knowledge in tourism policies, as a result they are not involved in decision making of the businesses. Moreover, it is important to ensure that the schedule for implementing the most difficult aspects of BSR activities is realistic. In other words, tourism businesses should not act beyond their capabilities, as BSR could be an expensive exercise if not carefully planned (Newell & Frynas, 2007; Argandoña, 2010). If a tourism BSR action plan lacks reality, tourism businesses tend to become discouraged and discontinue their activities. The timeframe in relation of BSR implementation is considered in this study. This assisted in analysing the sustainability of BSR activities in the Western Cape tourism industry.

According to Argandoña (2010) and the United Nations Global Compact (2010), the government could facilitate multi-stakeholder dialogue, promote capacity building or mobilise financial resources to assist the tourism private sector in addressing social issues, such as access to health care, improved safety, enhanced educational infrastructure and poverty reduction. Schwartz *et al.* (2008) suggest that a multi-stakeholder dialogue model should be used to change the perception that tourism BSR performance measures lead to business losses. The tourism BSR depends on the tourism businesses and their stakeholders' beliefs and perception (Valeriya, 2012; Jain, 2013). The other important role for governments in the development and management of tourism BSR in particular is to strengthen the BSR reporting system (O'Rourke, 2004). Sometimes governments may fail to act adequately in the implementation and reporting of BSR successes and failures (Argandoña, 2010).

5.5.2 Government's Strategies in the Support of BSR Implementation

Governments have followed four approaches to support and promote BSR initiatives in the tourism industry namely through awareness raising, partnership, endorsing of soft law and mandating (O'Rourke, 2004; United Nations Global Compact, 2010).

5.5.2.1 Advancement of BSR Awareness Raising in the Tourism Industry

Awareness raising, as mentioned previously, is one of the main tools available to governments to promote the concept of tourism BSR. It provides incentives for those tourism businesses willing to implement tourism BSR initiatives. The researcher is of the view that the success of tourism BSR programme in promoting empowerment and sustainable development, depends entirely on how a particular programme is structured. The critical realists argue that tourism policies act as the bases of tourism BSR activities at the real level, which affects the selection of tourism BSR activities at actual level and ultimately the degree of impact on the stakeholders at empirical level. Awareness raising is used to provide a common understanding of tourism BSR, such as tax exemption for social or philanthropic initiatives and creating Internet platforms. This activity includes providing award schemes, training or

capacity building of SMTEs and funding for research targeting tourism BSR initiatives (United Nations Global Compact, 2010).

The researcher evaluated the extent at which government engages on activities such as awareness of tourism BSR regulations and activities as well as the promotion of tourism BSR research at the real level of the three-tiered ontology discussed in Chapter Three. Tourism research is particularly important because it improves the understanding of BSR while assisting governments assess and monitor their BSR initiatives in their own socio-economic contexts. In the current study, the researcher analysed the level of awareness among tourism businesses in the Western Cape and the province's commitment on tourism BSR research activities. The argument advanced in the study stemmed from awareness of tourism BSR, increasing compliance and encouraging tourism initiatives, such as pro-poor tourism, ecotourism and community-based tourism development.

5.5.2.2 Enhancing Partnerships Between Tourism Businesses and Stakeholders

Stakeholder and critical realism theories focus on the importance of partnership between tourism business and stakeholders including government. Tourism partnership emphasises on the competencies and resources of the public and private sector in addressing BSR initiatives. Currently is argued in this study that this partnership is skewed, government intervention in tourism BRS is lacking or non-existence in most developing countries. Newell and Frynas (2007) and Asamoah (2013) state that public partnerships should be encouraged and supplemented by an open system because this enables academics, businesses, social interest groups and unions to provide feedback that could improve and direct the tourism industry. The researcher examined the level of partnership in the tourism industry within the context of South Africa's current partnership initiatives. These PPPs, EPWPs and CDPs.

5.5.2.3 Implementation of Soft Law for the Inducement of Tourism BSR

Soft law applies as non-regulatory interventions that provide an attractive complement to legislation and offers a flexible approach that is easy to adapt to different guidelines. This includes the United Nations Global Compact (OECD) guidelines and the consideration of tourism BSR requirements in the procurement procedures of national action plans on tourism BSR (United Nations Global Compact, 2010). Lamy (2002) and Pickard (2007) argue that there has been an increase in soft tourism BSR policies due to globalisation, where power shifted from governments to businesses and governments only facilitate BSR.

It was within this context that the researcher investigated Western Cape tourism businesses' levels of awareness of, and compliance with, BSR guidelines. The researcher focused on the main three BSR guidelines adopted by the country, namely GRI, JSE: SRI and SANS 1162. In 2003, it was estimated that businesses generally spent about R2.35 billion on social programmes, such as health care, education and training, water supply, improved conditions of work and other activities, in South Africa. Nevertheless, because of a lack of controls and insufficient public attention, there are often significant gaps between the intended goals of BSR policies and actual achievements.

5.5.2.4 Preference of Mandating Instruments for Tourism BSR Implementation

According to Asamoah (2013), mandating instruments apply to the setting and enforcement of minimum standards. This includes laws, regulations or sanctions and legal frameworks, such as environmental protection and conservation, anti-corruption and labour laws. The United Nations Global Compact (2010) contends that although tourism BSR is regarded as a voluntary activity, most countries now apply mandatory measures that oblige tourism companies to report on their BSR activities.

The researcher's argument in relation to minimum standards in the tourism industry is supported by the theory of critical realism. Critical realists are of the view that

tourism business comply with BSR guidelines that best suit their particular mindsets. This ultimately influences long-term impacts of a tourism BSR programme (Carlsson, 2005). In developed countries, such as Canada and Russia, governments promote BSR locally and internationally. Foreign Affairs and International Trade Canada (2009) states that the Canadian government encourages Canadian companies in Tanzania to meet high BSR standards. The Canadian government, in partnership with businesses, has plans to establish a BSR Centre for Excellence to assist in developing and disseminating BSR information and tools to the public and private sectors. Furthermore, the Canadian government plans to address issues of scarce financial and human resources among small business that want to implement BSR activities, develop BSR information packages for targeted markets and sponsor business briefings on a proactive basis. Plans further include the development of an in-house inventory for Canadian company contacts, activities and best practices. The Canadian government has created a community of practice web-based public platforms for companies and Canadian BSR practitioners to share experiences and best practices (Canada: Foreign Affairs and Trade Development, 2009). In Russia, ongoing decentralisation and municipal government reform promotes corporate adherence to BSR. The funding of government programmes is decentralised to regional and local governments.

In developing countries, such as China, companies are also building BSR initiatives (Zhou *et al.,* 2012). Enormous state-owned enterprises in China, private enterprises and numerous foreign-owned businesses publish their BSR reports with their financial reports. In addition, since 2006, China has established guidelines that prohibit companies that do not carry out their social responsibilities from receiving government contracts or subsidies (Zhou *et al.,* 2012).

In South Africa, several factors influence the government's involvement in BSR (Hamann, 2003). There is a significant gap between government policy and application. Hence, the degree of tourism businesses' adherence to regulations actually leads to charitable initiatives. Moreover, since 1994, there has been a request for social partners to form part of BSR policy- and decision-making. In addition, the role of the government in the South African economy entails more than the issuing of licences and formulation of regulations. It includes the provision of

incentives in the form of taxation and national procurement policies. However, the difference between adherence to government regulations and tourism business voluntarism is indistinguishable. The development and implementation of BSR in Africa are discussed in the following section.

5.6 The Development and Implementation of Tourism BSR: An African Perspective

The development of BSR in the tourism industry is regarded as an international development approach (Newell & Frynas, 2007). According to Dzansi and Pretorious (2009) and the King Report III (2009), the importance of sustainability concerns in the tourism industry has increased internationally since the publication of the King Report II and other initiatives, such as the GRI's G3 guidelines and the United Nations' publication of the Global Compact and Principles for Responsible Investment. The UN and EU have developed a Green Paper for Corporate Social Responsibility (CSR) and the OECD Guidelines for Multinational tourism Companies. The Swedish government has committed its public enterprises to engaging in sustainable reporting. In October 2007 in the United Kingdom, BSR amendments to the Companies Act were accomplished (Steurer, 2010). However, in Africa and South Africa particular neoliberal approach promoted power on multinational foreign tourism business, with less concern on the impact of their business operation on local communities (Leibbrandt, Wegner, & Finn, 2011).

An increasing number of European tourism companies are aware of their impacts on society (King Report III, 2009). The German government has introduced the German Commercial Code, which requires the inclusion of non-financial performance indicators and assurances in tourism business performance measurements (Monshausen & Fuchs, 2010). The Norwegian government launched a national white paper on BSR in 2009 that focuses on the responsibility of Norwegian tourism companies to report on sustainability performance. It highlights the need for tourism businesses to apply the GRI G3 guidelines in making transparent disclosures about sustainability issues. According to Dzansi and Pretorious (2009), Spain follows the Catalan Social Responsibility Framework for small business. In December 2008, the Danish government adopted BSR reporting law, instructing businesses to reveal

their BSR actions because of its 'comply or explain' principle. The government also demanded that businesses provide reasons for not engaging in any CSR activities (King Report III, 2009). The Danish government encourages the application of the UN Global Compact Communication on Progress and GRI G3 guidelines to promote BSR.

Similarly, BSR is being applied in Africa although its application is questionable as discussed further in this chapter. Newell and Frynas (2007) comment that the importance of the government in the development of tourism BSR is evident even in those African countries that have weak government authorities and are considered dysfunctional. According to Lund-Thomsen (2005), BSR awards, such as the Annual Dow Jones Sustainability Index and the East African BSR awards, recognise the BSR participation of companies including tourism companies from African countries, such as Tanzania, Burundi, Kenya, Rwanda and Uganda. The award committees review BSR facets, such as the workforce, the environment, ethics and philanthropy (Lund-Thomsen, 2005). Argandoña (2010) mentions that for tourism businesses to implement BSR effectively, they should adopt the following points. These points centred on the two theories that form part of the theoretical background of the study, namely stakeholder and critical realism theories:

- Stakeholder theory encourages tourism businesses to acknowledge their BSR responsibilities and be ready to meet them even if the benefits seem likely to be minimal;
- Both stakeholder and critical realism theories support that tourism businesses should instil a culture of responsibility by setting an example and training their internal and external stakeholders;
- Stakeholder theory emphasis on the collaboration of tourism business with other stakeholders, including NGOs, local government and experts, rather than trying to do everything on their own;
- Stakeholder theory encourages tourism business to build on the experience of other companies inside and outside the tourism industry because there is no need to reinvent the wheel;

- Critical realists are of the view that tourism business should take a prudent approach to tourism BSR because there is no need to do everything at once. However, this should not be an excuse to do nothing;

- Critical realists also advise tourism business to be realistic since BSR has costs that tourism businesses cannot always afford, especially small companies operating in a competitive environment, but this should not be an excuse to do nothing ; and

- Critical realists edge tourism business to consider the long-term effects of BSR because it always requires vision, which is something tourism companies need to develop.

The stakeholder theory assists in the identification and selection of tourism stakeholders. It is clear from the framework of the study that tourism business stakeholders expect tourism businesses to accept some public responsibilities. However, the types, degree and level of compensation and public responsibilities to be made available to disadvantaged groups are unclear. Critical realism suggests that to understand the influence of tourism businesses, coherent policies need to be formulated and unambiguously interpreted. The outcomes of the study suggest that the government should have policies in place that aid tourism businesses in implementing BSR practices while measuring the degree of BSR implementation.

However, the implementation of BSR is still a problem (Visser, 2006). Whether it is possible for tourism businesses in Africa to implement BSR successfully remains questionable. Blowfield (2007) maintains that tourism companies operating in developing countries consider environmental priorities in a way that benefits developed countries over local communities. According to Visser (2006), the implementation of tourism BSR in the developing continent poses additional challenges because culture is one of the elements that determine the expectations of customers about a business's behaviour. In this context culture is the lifestyle of a tourism business. Culture is considered as a social real to critical realists, as its existence and sustainability depends on the tourism business' behaviour and activities. Visser (2006) contends that globally, the implementation of BSR differs from its implementation in developed countries. As seen in Figure 5.2, Visser asserts that Carroll's BSR pyramid is viewed differently in Africa. The author argues that

because the pyramid was developed in 1979, it may not necessarily reflect the current African BSR situation.
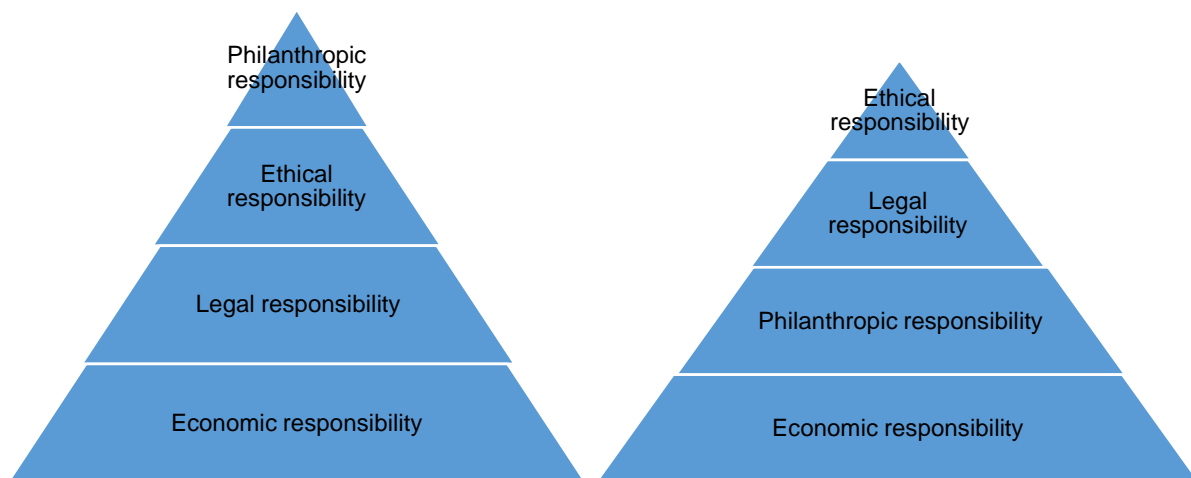
(a) Carroll's classic pyramid (b) Tourism BSR Pyramid in Africa

Figure 5.2: The traditional tourism BSR pyramid vs the African tourism BSR pyramid. Source: (a) Carroll (1999); (b) Visser (2006, in Huniche & Pedersen, 2006:36)

Ethical responsibilities refer to the adoption of voluntary codes of governance and ethics, while legal responsibilities refer to assurances of good relations with government officials. Philanthropic responsibilities constitute the provision of funds for community-based or business social projects. Economic responsibilities include the provision of investment, creation of jobs and the ability to pay taxes. Figure 5.2 indicates the distinction between the application of these four tourism BSR dimensions in Africa and developed countries.

In Africa's tourism BSR pyramid, philanthropy comes immediately after economic initiatives. In an African environment, philanthropy is regarded as an expected norm while realising the importance of improving the welfare of the communities within which tourism businesses operate. Furthermore, philanthropy in Africa is often associated with foreign aid, on which many African countries rely. This reliance on foreign aid reinforces the culture of philanthropy in these countries (Visser, 2006, in Huniche & Pedersen, 2006). Although many tourism businesses believe in and support the philanthropic approach, Visser maintains that this approach promotes dependency in the tourism BSR beneficiaries. According to the Executive Director of

136

Indonesia Business Links (IBL), Koestoer (2002), donations from tourism businesses promote excessive dependency in local communities in Indonesia. This has led to a belief among the communities that tourism businesses are the source of cash and other capacities required to support their socio-economic needs. Dunfee and Hess (2000) argue that, unlike in developed countries, philanthropy in developing countries initially consisted of relatively passive, after-profit direct cash donations. In this study the researcher argues that the outcome of philanthropic activities are unsustainable. As indicated in Figure 5.2, philanthropic activities in Africa are not necessary supported by any form of tourism regulations or policies. This poses major problems and concerns, the intention on philanthropic activities could be biased towards tourism businesses objectives rather than stakeholders' objectives. The researcher is supporting an incorporation of stakeholder approach in various tourism BSR programmes.

In Africa, legal responsibilities in tourism BSR are regarded as relatively insignificant motivators for good conduct (Visser, 2006). African legal structures are often poorly developed and lacking individuality, capital and managerial effectiveness. According to Dzansi and Pretorious (2009), there are no research frameworks and policies to promote tourism BSR in Africa, which reduces the impact of tourism BSR on the continent (Visser, 2006). Since tourism BSR is less formalised in this continent, tourism BSR codes and standards, management systems and reports rarely exist (Dobers & Halme, 2009). If they exist, they are specific to certain issues and subjects, such as supply chain, fair trade practices, sector-related problems or HIV/AIDS concerns, especially in the mining and agriculture sectors. Where tourism BSR is formalised, it often applies to only national and multinational tourism businesses (Visser, 2006, in Huniche & Pedersen, 2006; Darrtey-Baah & Amaponsah-Tawiah, 2011). Another problem developing countries in general, and the African continent in particular, face is that tourism BSR does not have a deep-rooted basis that makes it part of a normal business plan. Koestoer (2002) and Argandoña (2010) encourage tourism businesses to be clear about the extent to which they perform tourism BSR activities because their contributions should benefit rather than disadvantage them.

Consequently, the analysis of tourism BSR practices in Africa becomes difficult because tourism businesses operate in diverse cultures, language groups and environments. Hence, these tourism businesses need to construct their tourism BSR practices carefully to reduce any over-expectations and social conflicts among beneficiaries (Koestoer, 2002). In South Africa, for example, the recognition of mutually dependent stakeholder relationships is achieved through the Ubuntu concept (King Report II, 2002). Perhaps the stakeholder approach could be applicable in line with Ubuntu concept to strengthen the relationship between the tourism businesses and stakeholders. A more detailed discussion on tourism BSR in South Africa follows in the next section. The implementation of tourism BSR is discussed in relation to the development of tourism in the country.

5.7 BSR Development in South Africa

5.7.1 BSR Development in South Africa's Tourism Industry

Gopaul (2006) and Van der Merwe and Wocke (2007) indicate that South Africa remains one of the most unique communities in the world, and issues around health, land, housing and access to employment and essential services still divide rural and urban communities. This needs a serious attention in the development of tourism. In South Africa, the government expects tourism businesses to participate in the economic inclusion of the poor. The government acknowledges the role of the formal tourism business sector in the development of tourism in sub-Saharan Africa and South Africa in particular (Nyakunu & Rogerson, 2014). However, as discussed in Chapter Four, the government is expected to attract foreign tourism investment, improve employment rates and uplift disadvantaged communities (Wray, 2009; Asamoah, 2013, Nyakunu & Rogerson, 2014).

Tourism businesses in developed countries are called upon to participate in tourism BSR in response to issues such as employee welfare, human rights and climate change (Hamann, 2003). Hamann and Acutt (2003) assert that South African tourism BSR development is characterised by discussions around issues relating to sustainable development, free trade and economic policies. Tourism BSR is also considered a newly formed relationship between private money and public welfare. Ferrell *et al.* (2007) argue that it is evident that tourism businesses generally are

aware that the norms, standards, regulatory frameworks and stakeholders' demands for tourism business BSR vary across continents, countries, cities and towns.

South African tourism businesses have been partly responsible for large increases in the country's GDP (Giampiccoli & Mtapuri, 2014; Zuma, 2014). Businesses operate in various sectors of the national economy, such as mining, forestry, fishing, agriculture, manufacturing and the service sector, which includes tourism. In 2010, the output of the business sector in South Africa was estimated at about R855 billion, some 40 per cent of the GDP of the country. In 2009, the tourism industry contributed 7.9 per cent towards the country's GDP (National Department of Tourism, 2012). Although the GDP contribution by the industry is promising, Van der Merwe and Wocke (2007) state that few tourism businesses in South Africa participate in BSR. The tourism industry contributes a mere two per cent to BSR initiatives and only six hotels were registered on the JSE at the time of writing. Moreover, small tourism firms represent over 95 per cent of the sector in the country, but six large tourism businesses operate in South Africa and control 60 to 70 per cent of the entire tourism industry (Rogerson, 2008; Tassiopoulos, 2009). Without any doubt this substantiates the level of dominance and power that multi-tourism businesses have over small tourism businesses in South Africa. If not properly regulated, these giant tourism businesses may continue exploiting local resources, change culture and lifestyle of local communities.

As discussed in Chapter Four, the South African tourism industry's lack of involvement in BSR has its roots in the apartheid era. During this period, there was limited government intervention in tourism business operations, especially regarding BSR (Ramlall, 2012). Hamann (2003) suggests that the application of universal tourism BSR standards should be avoided because the country has a unique way of understanding and implementing tourism BSR due to its apartheid background. Hence it was found important in this study to assess the extent at which tourism BSR activities empower local communities more especially previously disadvantaged group. Moreover, the King Report III (2009) states that foreign institutional investors rated South Africa's tourism businesses among the best administered in the global emerging economies. South Africa established three sustainability guidelines: the GRI, the JSE:SRI and the tourism-specific SANS 1162 (SABS Standards Division,

2011). Johannesburg Securities Exchange or JSE-listed South African companies continue to build credibility in terms of good governance and practices after tourism businesses acknowledged the need to adapt the code of principles and practices (UN Code of Conduct) on a non-legislated basis (King Report III, 2009).

The adoption of the UN Code of Conduct differs from one country to another. The Netherlands and South Africa use the 'apply or explain' approach instead of the United Nations' 'adopt or explain' approach (King Report III, 2009). In other words, the Netherlands and South Africa value the principles of tourism BSR, making recommendations and providing detailed information on the implementation of BSR more than they value compliance. The critical realists questioned this approach, in that while policies are being formulated and deliberated at the real level, decisions are made which lead to the adoption of particular policies. These policies then are passed to the relevant stakeholders for compliance and implementation. In 2004, the JSE adopted the Social Responsibility Investment (SRI) index, a tool for South Africa's financiers to identify tourism businesses that incorporate sustainability actions (King Report III, 2009), and the National Minimum Standard for Responsible Tourism (NMSRT), known as SANS 1162, was established in 2011 (Hunter, 2013). According to the King Report III (2009), the former Department of Environmental Affairs and Tourism focused on tourism BSR, especially regarding climate change issues.

In 2008, erstwhile Minister of Tourism Marthinus van Schalkwyk aimed to translate the strategic decisions about climate change into policy directions, which would eventually become legislation supporting the country's climate policy. In 2011, the government hosted its first conference on climate change, the United Nations 17th Conference of the Parties on climate change (COP17/CMP7) in Durban. The Minister of Tourism promised to fulfil the ministry's plans regarding the reduction of electricity demand. Moreover, an incentive in the form of a supplementary depreciation allowance to invest in energy-efficient equipment was to be established for South Africans. In addition, the government planned to adjust excise duties on motor vehicles by considering carbon emissions (King Report III, 2009). It was within this background that the researcher investigated government policies in relation to sustainability of BSR programmes.

5.7.2 Addressing BSR Forces Within the Apartheid and Democratic Ideologies

Hamann (2003) argues that although the tourism BSR concept developed recently in South Africa, many BSR tourism business incentives and initiatives existed even during the apartheid period. For example, the Rembrandt alcohol and tobacco company and Anglo-American mining company worked together to establish The Urban Foundation in 1976 to address the socio-economic challenges of that time (Hamann, 2003; Ramlall, 2012). The National Business Initiative (NBI) (The Urban Foundation's successor), the African Institute of Corporate Citizenship (AICC), the Centre for Development and Enterprise (CDE), and Earthlife Africa were also established to promote the concept of BSR during this era (King Report II, 2002; Fig, 2005). According to Hamann and Acutt (2003), the Sullivan Principles, a code of conduct relating to American MNCs and voluntarily adopted in South Africa in the 1970s, forced many tourism businesses to introduce BSR activities, especially to the advantage of Black employees. Hence, in this study the researcher investigated the BSR driving forces of the Western Cape tourism businesses post-apartheid era.

Juggernath *et al.* (2011) affirm that the effort to balance the unequal distribution of wealth pushed the implementation of tourism BSR forward during the apartheid era. However, there is no evidence that there was any business obligation under common law to be socially responsible. Vettori (2005) reports that the political climate of the 1980s and 1990s compelled the tourism private sector to take note of BSR ideology and provide solutions for South African communities. Juggernath *et al.* (2011) believe that tourism businesses were providing donations on an ad-hoc philanthropic basis during the apartheid period. Currently, there are debates as to what tourism businesses that contributed to the apartheid government should do to make amends for their involvement in the promotion of segregation. Many people believe that tourism businesses participated in the segregationist policies for their own gain.

Fig (2005) and Ramlall (2012) assert that there are two schools of thought regarding the involvement of South African tourism business in BSR: First, some argue that tourism businesses alleviated the effects of apartheid by gradually admitting and

promoting Black workers to semi-skilled positions and by contributing to and sponsoring urban reform. Second, some maintain that businesses generally introduced migrant labour and single sex hostels. They engaged in workplace segregation through the division of labour and discriminatory salaries on racial grounds, and they provided services, technologies and weapons that were used as a means of oppression by the apartheid government. In addition, tourism businesses assisted sanctions-busting operations and received subsides from and paid taxes to the apartheid government.

According to Fig (2005), the Truth and Reconciliation Commission (TRC) heard a great deal of evidence on how large tourism corporations profited from human rights violations during the apartheid period. Fig further states that the apartheid government granted tourism businesses licences that caused environmental damage, compromising the health of their employees and communities, especially in townships close. The TRC decided to obtain compensation for the victims of these injustices (Fig, 2005; Ramlall, 2012). Fig (2005) contends that representatives of South African businesses including tourism businesses met with ANC members in Lusaka during the 1980s to soften the ANC towards businesses should it become the ruling party. This may explain the lenient stance the government took towards tourism businesses during the TRC hearings (Fig, 2005). This also may also explain the shift from RDP policy by the ANC after it took power, to GEAR policy strategy.

Changes to the legislation governing tourism companies have been made since the democratic government came to power, but laws relating to the enforcement of tourism BSR remain unclear. The old Companies Act (Act no. 61 of 1973), which was based on English company law and BSR principles, governed South African companies until its replacement in 2009. This act did not enforce BSR (Fig, 2005; Juggernath *et al.,* 2011). The ANC government passed the Companies Act (Act No. 71 of 2008) in 2009, which replaces most of the Companies Act of 1973. Unfortunately, it is not clear how this act enforces tourism BSR (Ramlall, 2012).

The Companies Act of 2008 encourages tourism businesses to elect social and ethics committees responsible for monitoring and reporting their BSR activities (Juggernath *et al.,* 2011). However, the Act currently does not make provision for

mandating tourism businesses to practice BSR. The argument in this study is that there is lack of compliance by tourism industry on existing South African policies and guidelines that relate to tourism BSR implementation. Numerous South African tourism businesses make donations through their memoranda of association (Ramlall, 2012), but although donations and philanthropic projects are easy to implement, real tourism BSR is about neither donations nor philanthropy but about business values (Van den Ende, 2004).

Moreover, Fig (2005) argues that South African companies generally that are implementing BSR, such as South African Association of Pharmacists in Industry (SAAPI), are doing so for the wrong reasons. They do so because they want to be seen as caring for the environment to improve their public image. According to Ramlall (2012), South African businesses, for example the Alexander Forbes Group, position themselves as socially responsible in the media. While the company's manager claims that the company is socially responsible, its employees indicate that the company shows a culture of benevolence and compassion instead. Employees are encouraged to donate their time by volunteering to assist previously disadvantaged groups (Ramlall, 2012).

Vettori (2005) argues that it is difficult to establish with certainty what a company's motivation is for implementing tourism BSR because there are various internal motivations. The first relates to benefits to the tourism company, such as enhancement of public image, tax rebates, employee retention, involvement in community projects and opportunities for generating business contacts. The second motivation relates to abuse by tourism directors - directors may choose a charity to pursue self-interest. The desire to prevent government intervention is the third internal incentive.

Fig (2005) further identifies five external forces that contribute to tourism business' engagement in BSR: pressure from the state, governmental failure, pressure from abroad, pressure from below and peer pressure. In the South African context, Fig believes that there is little pressure from the government to engage in tourism BSR activities. Although well-developed government regulatory functions exist, they are fragmented between the three spheres of government. Moreover, regulatory bodies

are poorly coordinated and lack capacity. However, Fig (2005) and Nyakunu and Rogerson (2014) agree that the ANC government has taken a significant step in tourism policy by introducing BEE, which is one element of tourism BSR. In addition, there is growing interest in responsible tourism policies; the City of Cape Town signed a responsibility charter in 2009. The communities around the city should feel the significance of this charter

The second set of external factors relate to tourism businesses considering social responsibility because of external forces, such as the government failing to address the socio-economic issues of the country. Vettori (2005) suggests that the government's inability to protect individuals from economic insecurity leads to the public's interest in and expectations to see tourism businesses closing this gap. Service delivery protests on health care, housing and water by communities are serious social challenges in South Africa. Currently tourism businesses are silent in providing solutions to minimise these service delivery protests. Fig (2005) asserts that South African tourism businesses have undertaken various initiatives in the post-apartheid era. When there was a perceived government failure in dealing with crime, businesses generally responded by forming Business Against Crime for South Africa (BACSA) (Business Against Crime for South Africa, 2014). The aim was to provide additional resources to underpaid, poorly trained police officers. BACSA was established in 1996 after the late former president Nelson Mandela invited businesses to assist in fighting crime in the country.

Fig (2005) challenges tourism businesses with regard to their contribution towards HIV/AIDS projects in the country. The researcher agrees with Fig in that HIV/AIDS should be seen as a government's concern but the tourism industry should also play its part. Currently, HIV/AIDS is considered South Africa's greatest socio-economic problem and a global issue. The King Report II (2002) states that there are financial costs to tourism businesses resulting from non-financial problems, such as HIV/AIDS. HIV/AIDS is anticipated to feature significantly in responsible tourism initiatives globally. Fortunately, HIV/AIDS infections have a relatively low frequency in the Western Cape Province (Statistics South Africa, 2004). This does not stop the province's tourism industry to continue fighting HIV/AIDS.

The third external factor deals with tourism businesses' response to tourism BSR because of pressure from abroad. Fig (2005) agrees that globalisation has been rated one of the main factors that motivates tourism businesses to engage in BSR. In South Africa, Sasol, Sappi, Eskom, MTN, Liberty Life, SABMiller, Anglo American and similar companies trade in America, Europe and within Africa. This inspired these businesses to shift their activities to make real changes in the environment, and the desire to list businesses on the London and New York stock exchanges forced many companies to comply with BSR standards (Hamann, 2003; Fig, 2005). Moreover, several initiatives, such as the UN Global Compact, emphasise tourism businesses compliance with global codes of conduct. In addition, the King Report II (2002) encourages South African tourism businesses to comply with international standards such as the AA1000 standard and the Global Sullivan Principles of BSR, while the JSE supports the GRI reporting guideline. The researcher investigated the level of Western Cape tourism industry compliance in relation to the above mentioned international BSR regulations.

The fourth external motivator is pressure from below. According to Fig (2005), the consolidation of the old apartheid society and the new democratic one has been a challenge to the current government. The democratic government had to compromise on some of its social ideologies to accommodate the apartheid government that believed in minority enrichment, a strategy that widened the socio-economic gap in the country (Fig, 2005). The researcher in this study argues that because of the current government's neoliberalism ideology and former apartheid policies, the gap between the rich and poor continue to widened. The researcher questioned the level at which tourism business validate their existence and their operations in South Africa. Moreover, many ANC members and trade union officials joined the business world, enjoying the benefits of BEE while accumulating wealth at the expense of poor South Africans (Fig, 2005).

Neoliberal ideology continues to shape the socio-economic policies of the country. Currently, there are no tourism BSR supervisory bodies because the National Economic Development and Labour Council (Nedlac) was unsuccessful in administering the country's economic regulation. Fig (2005) identifies weak independent investigative journalism, resulting from all types of media being owned

by large corporations, as an additional problem the country faces. Journalists rewrite tourism corporate press statements instead of questioning tourism corporate practices.

Furthermore, prior to the WSSD in Johannesburg, the King Report II (2002) mentioned the expectation that South Africans would participate more in tourism BSR issues after the event. During the summit, tourism BSR became the main issue (Hamann & Acutt, 2003). However, whether the Cape Town Declaration of 2002 and the Kerala Declaration, signed at the Second International Conference on Responsible Tourism in Destinations held in India in 2008, have had any effect on the way tourism businesses address BSR activities in South Africa remains questionable (Frey & George, 2011, Coles *et al.*, 2013). The researcher was hoping that the 11th International Conference on Responsible Tourism Destinations (RTD11) took place in Cape Town in April 2015 changed the perception of tourism businesses towards BSR implementation. The conference aims at providing a reflection on Cape Town and South Africa's achievement on good practices by various tourism stakeholders to ensure that tourism is used as a vehicle for local economic development (LED).

Peer pressure is the fifth external factor on tourism BSR engagement. Tourism businesses usually create measures others follow. Hamann (2003) asserts that a relatively small number of large tourism businesses dominate tourism BSR at national level. These tourism businesses are prominent in the national media, which reports the publication of their social and environmental reports. Fig is of the view that while many major tourism businesses feel peer pressure, it does not affect small and medium-sized tourism enterprises (SMEs) and bigger BEE tourism businesses. Numerous Black entrepreneurs see BSR as a method for White-owned tourism businesses to pay for their past sins, and SMETs implement only BSR policies that are linked to large tourism businesses' supply chains (Fig, 2005). The King Report II (2002) further acknowledges that the country's tourism businesses face challenges in implementing BSR initiatives because tourism businesses have to change their thinking and the ways in which they conducted and defined their businesses during the apartheid era (King Report II, 2002). For example, traditionally White-owned tourism businesses' unwillingness to pursue BSR is probably causing emerging

Black-owned tourism businesses and SMTEs to be reluctant in pursuing it (Fig, 2005). These tourism business owners may feel that it is unfair for them to practice BSR because their tourism business counterparts (White tourism business owners) did not practice such initiatives in the early stages of their business operations (Fig, 2005).

In addition to these problems, Fig (2005) complains that South African tourism businesses are reluctant to comply with the National Environmental Management Act (NEMA) and the government does little to enforce the Act. The Act aims to compel tourism businesses to reduce pollution, but this has not yet been achieved. Several pieces of legislation governing tourism business practices have improved South African environmental conditions. These include the National Environmental Management Act (Act No. 107 of 1998) and the Mineral and Petroleum Resources Development Act (Act No. 28 of 2002). The current study was aimed at analysing reasons for poor BSR compliance by tourism industry in the developing countries.

Nonetheless, in 2003 it was estimated that the hundred largest businesses in South Africa spent approximately R2.35 billion on CSI programmes. The programmes included health, education and training, water supply, improved conditions of work and other social initiatives. However, the researcher in this study believes that the application of CSI alone is not enough to solve the socioeconomic challenges of this country. This is further discussed in details later in this chapter. Thus, each firm spent an estimated R13 million; Fig (2005) contends that this is a low contribution to BSR. The King Report II (2002) and Lindgreen *et al.* (2012) mention that South African tourism managers generally have a positive perception of BSR practices and recognise the economic benefits of this social activity. The next section aims to link B-BBEE and BSR in South Africa.

5.7.3   The Link Between B-BBEE and BSR in SA Tourism Businesses

Instead of forcing tourism businesses to be directly involved in BSR through legislation, the South African government established various laws that indirectly compel tourism businesses to engage in BSR (Ramlall, 2012). These include the

Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003), the Employment Equity Act (Act No. 55 of 1998), the National Empowerment Fund Act (Act No. 105 of 1998), the Procurement Policy Act (Act No. 5 of 2000) and the Skills Development Act of 1998. Although the government has been trying not to interfere with tourism businesses where BSR is concerned, it is working hard to ensure that tourism businesses comply with the B-BBEE Act (Ramlall, 2012). Esser and Dekker (2008) concur with Ramlall (2012), as illustrated in Figure 5.3. According to Esser and Dekker (2008), tourism BSR and B-BBEE are currently viewed separately within South Africa's tourism BSR environment, yet they should be considered interlinked.
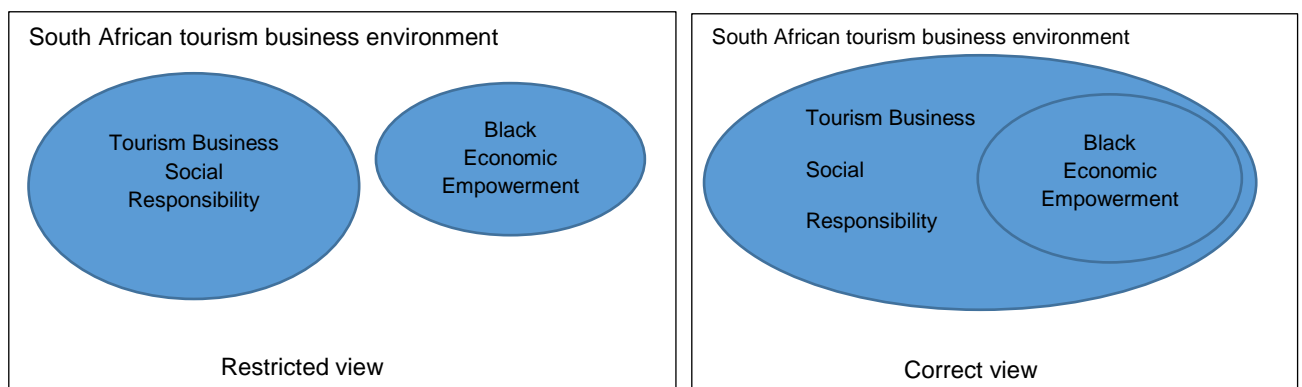
Figure 5.3:   Illustration of interplay between tourism BSR and B-BBEE (Esser & Dekker, 2008:166)

Ramlall (2012) further mentions that there is a feeling that the B-BBEE Act is seen as an economic incentive that imposes morality instead of a legal duty on tourism businesses because non-compliance is not criminal. In the tourism industry, B-BBEE compliance is extremely weak and the industry is still dominated by White people as it was during apartheid (Giampiccoli & Mtapuri, 2014). However, Vettori (2005) suggests that the enforcement of social responsibility at the expense of business profitability should be carefully considered. Non-compliance should be considered in light of the tourism business's primary objective, which is to generate a profit. Nonetheless, the B-BBEE Act is an instrument that has played a key role in making tourism businesses address the plight of the poor in South Africa (Juggernath *et al.*, 2011; Ramlall, 2012).

According to Fig (2005), Juggernath *et al.* (2011) and Ramlall (2012), the South African government's B-BBEE policy demands that tourism companies provide preferred access to jobs and equity stakes, management positions and professional training to South Africans who were disadvantaged during the apartheid era. In addition, the legislature introduced several acts to address the socio-economic injustices of the apartheid regime, including the Employment Equity Act (Act No. 55 of 1998), the Skills Development Act (Act No. 97 of 1998), the Occupational Health and Safety Act (Act No. 85 of 1993) and the Mine Health and Safety Act (Act No. 29 of 1996). These acts were introduced to improve working conditions (Fig, 2005; Ramlall, 2012).

Fig (2005), Esser and Dekker (2008) and Ramlall (2012) agree that despite these legislative changes there is little regard for tourism BSR in South Africa. Since 1994, some South African tourism businesses have been prepared to go beyond voluntary compliance with regulations. However, according to King Report II (2002) and Ngwenya (2007), there is still a perceived failure by tourism businesses to address many serious social issues in the country, yet South African organisations are in dire need to be identified as good corporate citizens. Currently the country' heritage tourism is under threat. The attack on some of the country's colonial statues by community members is a debatable issue in the country. However, the tourism business are not coming forward to assist government in fighting and providing solutions for the current situation. Initiatives such as the King Report II of 2002, the introduction of the social responsibility security exchange index and the notion of Ubuntu are philosophical changes towards tourism BSR and serve as catalysts for such initiatives (King Report II, 2002; Fig, 2005).

The King Report II (2002) states that although the B-BBEE concept has been an excellent solution for addressing BSR initiatives in South African tourism businesses still approach empowerment from a philanthropic or from a government policy perspective. Therefore, South Africa's tourism businesses are not enthusiastic about building partnerships that could be used to deliver a sustainable human resource capacity, for instance, by ensuring and recognising the value of the Black tourism business sector in further development. According to the King Report II (2002), this could assist in increasing government tax income and reducing unemployment,

which would allow the majority to join the mainstream economy. The report contends that the development of BSR indicators for Black tourism businesses and SMTEs remains a challenge. Hamann (2003) maintains that a tri-sector partnership (between tourism businesses, government and civil society groups) is regarded as the most intelligent solution to achieving BSR. The concern on the level of involvement by tourism TNCs and MNCs in mentoring previously disadvantaged SMTEs was assessed in this study.

5.7.4   TBSI or TBSR? Choosing a Preferred Concept for South African Businesses

A significant challenge to South African tourism BSR implementation is that South African tourism businesses prefer tourism corporate social investment (CSI) and tourism corporate citizenship (CC) to tourism corporate or business social responsibility (Fig, 2005; Ramlall, 2012). South African tourism businesses prefer these concepts to BSR because they portray good practice concepts that do not assign tourism businesses any ethical or moral responsibility for historical misconduct. The two concepts do not address any legacy, memory, history or justice (Fig, 2005). This structure was motivated by the fact that BSR is 'the right thing to do'. CSI links tourism businesses' wealth created to the businesses' social and environmental activities (Blowfield, 2007).

This was the case even during the apartheid era when tourism BSR was understood in terms of CSI or ad-hoc donations (Hamann, 2003). In the 1990s, ad-hoc community contributions changed to formal tourism corporate budgets for CSI. According to Hamann (2003), the main CSI activities by South African tourism businesses have been in education, health (with a focus on HIV/AIDS), the creation of employment, housing development and the development of small tourism businesses. However, the CSI handbook identifies five focus areas for social responsibility: environmental support, HIV/AIDS support, arts sponsorship, small business development and procurement, and sports sponsorship. Blowfield (2007) asserts that the easiest link between tourism financial and non-financial performance is BSR's outcomes regarding environmental management issues, such as waste reduction. The toughest link between tourism financial and non-financial

performance of BSR outcomes related to social issues. Hence, the current study was undertaken and critical realism theory was applied to assess the outcomes of tourism business social responsibilities on stakeholders.

According to Ndlovu (2009), performance-based (PB) tourism BSR measures have been adopted in some developed and developing countries. The accountability rating (AR) was found to be the most applicable in South Africa and several other countries, such as Hungary and Turkey (The King Report II, 2002; Ndlovu, 2009). The accountability rating is one of the reasons for tourism corporate social investment (CSI) practice, which emerged following the B-BBEE Act of 2003, instead of tourism BSR in South Africa. South African tourism businesses claim that voluntary CSI initiatives contribute to the wellbeing of stakeholders nationally. Fig (2005) disagrees with this because there are no standardised measurements to gauge the degree or type of giving, for example, whether this should be through sports sponsorship or the support of social projects. The surveys conducted showed that there is a perception of weak community support from tourism businesses (Fig, 2005). In this study, the researcher aimed at investigating the degree at which tourism businesses in the Western Cape Province contribute towards the wellbeing of their stakeholders.

In addition, there is a large disparity between what tourism businesses claim and their practices (King Report II, 2002; Fig, 2005; Blowfield, 2007). Hamann (2003) agrees that there is a gap between tourism BSR implementation and policy formulation due to poor organisational restructuring and human resource development. NGOs interpret this gap as a lack of tourism business motivation. Thus, tourism businesses' social reports are seen primarily as a cover up (Hamann, 2003). The King Report II (2002) and Ndlovu (2009) argue that although tourism BSR reporting is an important aspect of BSR, many tourism companies might find it an iterative process. Thus, the nature and extent of disclosure of tourism BSR will develop over time as the necessary management information systems are developed.

Under the definition of tourism CSI, business and development are different activities; development is external to business. This includes outside projects

implemented with the aim of uplifting communities and developers (Fig, 2005; Ramlall, 2012). According to Van den Ende (2004), CSI means that tourism businesses choose to spend certain amounts of their profits on worthy causes. However, Hamann (2003) contends that tourism businesses should be aware that BSR is not simply an after-tax profit percentage invested in social development, but also applies to how this profit was made. Responsibility means the acknowledgement of actions, the recognition of the need for compensation and proposing compensation for human rights violations during the apartheid-era (Fig, 2005; Ramlall, 2012). Nevertheless, tourism businesses that operated under the apartheid government are unwilling to recognise this.

The King Report II (2002) suggests that South African tourism business should integrate CSI in business strategies and not handle it as an add-on as is currently the case. According to the report, although BSR is not a new concept, strategising to include this concept in mainstream tourism business activities in South Africa remains a challenge because BSR is often incorporated in human resource or marketing departments and falls to relatively untrained, junior or inexperienced staff. By using dedicated tourism BSR departments, businesses could influence the implementation of BSR and shape the developmental aspects of public policy, especially because the government is actively promoting and formulating legislating supporting the social development agenda among businesses (The King Report II, 2002). However, the researcher argues that the promotion and formulation of these policies and regulations are currently weak to link tourism BSR to empowerment. The government could impose statutory requirements for increased non-financial corporate reporting, as is the case in countries such as France (The King Report II, 2002). Therefore, the relationship between tourism BSR and LED is examined in the following section.

5.7.5   Tourism BSR and Local Economic Development

There is evidence that South Africa's female-headed households, especially in rural areas, are the poorest, with about 71 per cent living below the poverty line (Gopaul, 2006). Those who are working are usually in the agriculture sector, are domestic workers or work in the informal sector where they are poorly paid (Gopaul, 2006).

The formal tourism business sector is characterised by inequalities in business ownership; tourism businesses are predominantly foreign-owned. This is felt mainly in the mining, formal businesses finance, technology and information flow, and tourism industries (Gopaul, 2006). Discussions about sustained and balanced development frequently emerge in tourism business development planning in Africa. Hence, tourism BSR programmes are increasingly being highlighted as an avenue for reducing spatial inequalities in South Africa (Western Cape Government, 2010).

Newell and Frynas (2007) are of the view that it is unreasonable to expect tourism businesses to regard poverty alleviation as their main objective. Hence, government-led development policies should be in place to ensure that tourism BSR strategies are used to enhance existing pro-poor initiatives. The Western Cape Government (2010), launched various informal sector and rural development programmes since 1994. These programmes have not yet succeeded in transforming the living conditions of rural communities, where poverty remains a major constraint on development efforts. In the current study an argument was made that BSR initiatives could be used to transform the living condition of rural communities if the tourism industry BSR activities are properly regulated and linked to various government initiatives aiming at pro-poor tourism. The link between formal tourism businesses, the government and civil society organisations could constitute an important initiative. In this connection, mention needs to be made of LEDs. Rogerson (1996) and Nel and Binns (2002), among others, argue that LED programmes need to be encouraged throughout South Africa through the mechanism of BSR. However, in this study the researcher argues that government and tourism business do not recognise the role in which BSRs enhances LED programmes.

According to Rogerson (2002), LED has been the focus as a strategy for urban and rural development in South Africa's production and manufacturing sectors. From the international perspective, tourism has been recognised as an instrument for LED. Rogerson (2002) argues that although tourism is considered a tool for LED internationally, this is not yet noticeable in South Africa, in spite of the launching of numerous initiatives, such as the Spatial Development Initiative (SDI). Studies conducted by Rogerson in Highlands Meander (2002) and Magaliesberg Meander (2007) indicate limited involvement by tourism businesses in BSR activities, with the

exception of job creation in local development. In addition, there are fewer tourism business links with previously disadvantaged Black communities.

Ismail (2009) argues that BSR needs to play a major role in community development programmes. Sharp (2006) states that in the past when the government was the main driver of development, communities were regarded as beneficiaries and were thus entitled to the development. Even communities located far from a development project would benefit. Furthermore, tourism BSR, as applied in development, views stakeholders as communities that form part of the host community and are affected directly by tourism business operations or form part of the core business.

Ismail (2009) further mentions that tourism businesses need to participate in BSR to ensure that they address the negative consequences of economic activities, for example, by having conscience-focused business establishments that promote ethical business processes. In the United Kingdom, tourism businesses that negatively affect communities pay higher taxes, while those with lower impacts pay less (Ismail, 2009). Moreover, BSR is a powerful strategy used in levying road taxes, where high-emission vehicles are taxed at a higher rate, reducing pressure on the owners of small vehicles. The money collected through this strategy is channelled towards more productive uses, specifically for advancing local economic development activities instead of too much reliance on philanthropy activities, as it is the case in most developing countries.

However, Newell and Frynas (2007) assert that many tourism businesses worldwide, whether private or public and big or small, have not adopted tourism BSR initiatives. These tourism businesses are failing to address issues of job security, the ethical treatment of suppliers, workers' rights and community reinvestment. Moreover, according to Taru and Gukurume (2013), tourism BSR strategies do not exist in some developing countries. For example, most international hotels in Mozambique import over 90 per cent of foods while neglecting the products available from local farmers, and similar cases have been reported in Senegal (Taru & Gukurume, 2013). In South Africa, tourism businesses are failing to address the triple challenges facing the country. The researcher in the current study believes that the country's triple challenges could be addressed through tourism BSR initiatives. Policy knowledge

and protection of tourism resources and preservation of heritage products such as colonial statues is currently weak. Most of LED programmes that are linked to various heritage routes in the country are currently under threat.

Nonetheless, Argandoña (2010) believes that tourism businesses give back to their respective communities in a number of ways. For example, they offer scholarships to employees' children, lower the prices of accommodation for local NGOs and foundations, and the transportation sector donates money to charitable organisations. Some tourism companies contribute to local communities through education and advocacy against sex tourism involving children, increase environmental awareness and promote residential or real estate tourism (Argandoña, 2010).

According to Coles *et al.* (2013), the practice of tourism BSR through humanitarian motives should reduce the need for state intervention in business operations. Tourism businesses are encouraged to form close ties with local communities (Ismail, 2009). The communities should feel that the existence of tourism BSR goes beyond profits. For example, in most rural Asian communities, Banyan Tree resorts are encouraging local artisans to carve craft products; the resorts market and sell these products at their curio shops. Furthermore, these resorts give the locals first preference to make the furniture used at their resorts (Taru & Gukurume, 2013).

For these links to exist there should be integration between tourism businesses and local communities. Integration is essential for community development and is important for ensuring harmony between tourism business stakeholders. Local communities can depend on tourism businesses for skills training, jobs and incomes (Taru & Gukurume 2013). The livelihoods of communities can be shaped by, based on, linked to and dependent on the activities of the tourism industry. In South Africa, tour operators are involved in the development of infrastructure, opening avenues for locals to engage in economic activities and providing education and employment while initiating conservation projects (Taru & Gukurume, 2013). Thus, as Lee and Park (2009) note, tour operators have a pivotal role to play in promoting tourism. However, in this study the main argument is that although some tourism business are involved in various tourism BSR initiatives, their level and duration of their

involvement, selection criteria of their BSR activities and beneficiaries and intentions in practicing BSR is questionable in achieving millennium goals.

Ismail (2009) further suggests that communities expect tourism businesses to be involved in the transfer of technology (TOT) in the public sector and in technological support. This can be achieved through the transfer of technology from developed countries to developing countries. Through TOT coupled with tourism BSR processes, the targeted community could benefit in the various aspects of product development and marketing, such as better price and quality, and in terms of people's wellbeing (Ismail, 2009).

In addition, tourism BSR activities can assist in protecting the local environment. Some well-known large tourism companies have made visible commitments to BSR through initiatives aimed at reducing their environmental footprints. For example, Spier in Stellenbosch believes that financial and environmental performance could work together in driving a company's growth and social responsibilities (Ismail, 2009). Ismail (2009) calls for a strong link between communities and tourism businesses and the Shell Foundation's involvement in the Flower Valley in South Africa as a perfect example of BSR. Another sustainable project achieved through tourism BSR involves Gambian hoteliers. Taru and Gukurume (2013) describe how Gambian hoteliers in Kombo and Bungalow Beaches merged their activities with those of the locally based fruit vendors. An association and a code of conduct for all vendors were developed through the help of these hoteliers. Taru and Gukurume (2013) report that tour operators at the National Museums and Monuments of Zimbabwe (NMMZ and hoteliers) have socially invested in the communities in which they operate. The tour operators are educating the vulnerable and marginalised local communities, involving locals in job creation, taking part in the dissemination of information on conserving the environment and in national heritage activities.

However, in South Africa, the study conducted by Rogerson (2002) in Highlands Meander indicates that the beneficiaries of the development of the area are mainly white tourism businesses owners. Rogerson recommends that any proposed policy on tourism development in this area should consider social welfare issues to ensure sustainable tourism and local economic development, thus emphasising the role the

government needs to play in encouraging tourism businesses to participate in tourism BSR initiatives. Nevertheless, Newell and Frynas (2007) argue that it is difficult to design a model that is best suited to the needs of the poor because philanthropy, codes of conduct, development contribution and policy compliance by tourism businesses provide diverse results and elicit different responses from the various stakeholders, which affect the world's poor in different ways.

5.8   Chapter Summary

The origin and evolution of the tourism BSR concept were discussed in this chapter. The different periods and regions were outlined to indicate the various aspects of BSR and the different ways in which it could be applied. The researcher addressed the types of tourism BSR theories and dimensions, as well as the approaches used in the implementation of tourism BSR policies. This was followed by an analysis of the expected government role in implementing tourism BSR. The researcher identified the importance of assessing and examining the execution of tourism BSR on the African continent and in South Africa specifically. The literature review indicates that the tourism BSR approach in developing countries differs from that in developed countries.

Finally, the researcher investigated the concept of B-BBEE within the context of BSR. It was highlighted that B-BBEE is not BSR but an element of BSR. The relationship between BSR and LED was discussed to conclude the chapter. In the next chapter, the researcher turns her attention to the methodology employed to collect and analyse data to address the various aspects of tourism BSR discussed in this chapter.

Chapter Six

Research Methodology

6.1   Introduction

This chapter presents the methods applied to collect and analyse data in this study. It includes an explanation of the methodology and justification for choosing it. The research statement, aims and objectives of the study guided the selection of research methods for this study. First the research process procedures are outlined, followed by a discussion of the operational taxonomic units (OTUs) of the study.

The research design for this study provided a framework for the selection of a range of research approaches, together with associated instruments and tools for this study.   This chapter presents the research design, the plan used to determine the survey population, sample selection and sample size. Furthermore, the chapter contains a presentation of various research instruments including the questionnaire structure with details about the applied measuring instruments' validity and reliability levels. The researcher provides a description of the techniques used to analyse the data and discusses the problems encountered while conducting fieldwork. The chapter concludes with a summary of the elements of the methodology.

6.2   Research Process of the Study

Clark, Riley, Wilkie and Wood (1998) believe that the research process in which the researcher is engaged needs to be managed consciously and systematically to achieve coherence. The researcher followed a sequence of steps to conduct the

study (illustrated in Figure 6.1). The nine-step process identified assisted the researcher in managing the research process.

Idea generation and choice of topic	→	Stating the research statement and objectives of the study	→	Write up literature review and indicate the conceptual framework of the study	→	Operationalisation and choice of the study methods relative to the objective of the study

Draw conclusions	←	Consolidation of the research findings	←	Data analysis and research findings	←	Collect data for analysis and interpretation	←	Decides on population and sampling technique

Figure 6.1: A model of the nine-step research process used in this study (Author 's work)

Step 1   Identification of tourism BSR concept and formulation of the topic of the study

The first step involved generating ideas relevant to Western Cape social and economic challenges and how these could be addressed through tourism. Various sources of information and the researcher's own observation were applied. This resulted in the formulation of a title for the study. According to Brynard and Hanekom (2006), the choice of title involves a lengthy process in which a general problem from a particular field needs to be clarified. The process of title formulation was done through the assistance of an academic supervisor. The academic supervisor ensured that the researcher choses an appropriate title for the deliberation of the

current socioeconomic facing the country. 'Social responsibility of the tourism businesses in the Western Cape Province of South Africa' was then agreed upon.

Step 2   Stating the research statement and objectives of the study

The research statement was agreed upon in relation to the identified topic, aims and objectives of the study. The research argument was formulated around the following arguments, that although tourism business engage in BSR activities, the extent to which their BSR activities contribute to social, economic and developmental transformation is unclear. The tourism business adopted foreign-designed development programmes which fail to address the triple challenges of South Africa. The government role through policies and guidelines in the implementation of tourism BSR was argued to be extremely weak in South Africa. Emanating from the research statement, the research questions and objectives were developed as indicated in Chapter One.

Step 3   Literature search and conceptual framework

The literature search on political ideology of tourism in South Africa and developing countries in general was considered. These included a search on policy formulation and implementation in the context of South Africa in the pre and post-apartheid regime. The effect of these policies on the development of tourism and BSR implementation were also the main focus of the literature search. The history and various models and theories of tourism BSR in the context of developing countries were explored. The researcher's review provided a scientific context for this research. Three theories were considered for the conceptual framework of the study: neoliberalism, stakeholder and critical realism theories. The conceptual framework of the study was established in relation to its problem statement. Blanche, Blanche, Durrheim and Painter (2011) indicate that refining a research problem involves identification of a theoretical framework on which the study could be based. Hence, the theoretical framework of the study was identified.

Step 4   Operationalisation of research methods

The choice of research methods were determined mainly by the objectives of the study. Blanche *et al.* (2011) identified three types of research. The first is

exploratory, descriptive and explanatory research, the second is applied and basic research, and the third is quantitative and qualitative research. For the current study, the researcher opted for a combination of the first and third research methods. Qualitative and quantitative research methods were decided for the current study. A qualitative component provided an analysis and discussion on tourism stakeholders' interpretation of the government's social responsibility guidelines and policies. Various types of quantifiable inputs and outputs of the study were obtained through quantitative research method. Additionally, the researcher considered the availability of the necessary study resources when choosing the study topic and research methods.

Step 5   Decide population and sampling technique

Blanche *et al.* (2011) contend that sampling refers to the selection of research participants from the entire population and involves managing places and spaces in which data collection takes place. The study area, the Western Cape Province, was selected as an ideal place because it is one of the most popular tourist destinations in South Africa, with the highest number of tourism businesses in the country. It attracts the highest share of the international market due to its coastal location and abundant natural tourist attractions. Moreover, this province is one of the country's popular long-haul destinations.

The respondents included tourism business managers and employees, and key informants of the study (government officials from the provincial government and the two municipalities, and members of community organisations). These individuals are involved in socio-economic policy formulation and BSR implementation. Therefore, they were considered relevant for the study.

The research techniques were also identified. According to Brynard and Hanekom (2006), the most frequently used research techniques are review, interviews, questionnaires and observation. Hence, the researcher applied the questionnaire research technique. The questionnaire research technique afforded respondents a chance to deliberate about answers to the questions included in the questionnaire, as indicated by Brynard and Hanekom (2006).

Step 6   Collection of data

Data collection refers to gathering the basic material with which the researcher works (Blanche *et al.,* 2011). Collecting data in the Western Cape Province motivated the fieldworkers because all of them were visiting the province for the first time. The field workers were from the Eastern Cape Province, Lesotho and Zimbabwe. Although data collection is usually a challenging activity, the fieldworkers engaged in it as part of a tour of the area. Conducting the survey provided them with the opportunity to visit different locations every day. When a location had to be revisited, the fieldworkers used this as an opportunity to explore the area further.

Meetings and arrangements were made with various stakeholders prior to and during data collection to ensure sustainable relationships with them. The researcher obtained a permission letter from the Western Cape Department of Economic Development and Tourism prior to the survey period, which assisted in reducing tension between fieldworkers and respondents, minimising discomfort and dispelling doubts regarding the study. Furthermore, requesting a permission letter complies with the criteria set by the University of South Africa (UNISA) research ethics committee. Meetings with government departments and tourism businesses took place at various times as determined by the stakeholders. The function of the meetings was to explain the purpose of the study and set appointments. In some cases, the survey would take place.

Step 7   Data analysis Processes and Procedures

According to Brynard and Hanekom (2006), data analysis refers to action the researcher takes to filter the data. In addition, analysis allows the researcher to mind map and integrate the views of different authors. The themes were identified through the application of thematic content analysis method. This method assisted the researcher in verifying and confirming the raw data. The raw data was refined and organised to suit the objectives of the study. Seven themes were agreed upon; local economic development, social equity and pro-poor tourism, community well-being, economic development, employment quality, competitiveness, local control and sustainability.

Theme Two, social equity and pro-poor tourism, was found appropriate for quantitative analysis, while the rest six themes were most appropriate for qualitative analysis. The researcher applied this step to eliminate unrelated data and identify data critical to the research for further study. This was crucial because the open-ended questions used in the questionnaire allowed respondents to provide immaterial information. Moreover, it allowed the researcher to group some of the findings for clear interpretation, for example, by grouping 'strongly agree' and 'agree' responses as 'agree'.

Step 8   Consolidation of the research findings

The research findings were consolidated in relation to the aim and objectives of the study. Consolidation allowed the researcher to establish the relationship between the literature, conceptual framework and the findings of the study. The qualitative analysis and quantitative statistical interpretation of the research findings were considered. The government and the tourism industry's main roles towards sustainable tourism development in developing countries and South Africa in particular were taken into consideration. The tourism BSR framework and context in relation to developing countries were applied in this study. In this case factors that promote and constrain the development of sustainable tourism development were discussed. The researcher analysed the relationship between the government regulations and tourism business BSR activities and strategies as well as the level of awareness of and compliance with such regulations. After consolidating the study findings, a tourism BSR model was proposed.

Step 9   Drawing conclusions

The final stage entailed creating a summary of the discussions that took place in various sections of the study to remind the reader of the main points raised in these discussions, a technique supported by (Brynard & Hanekom, 2006). The researcher summarised the analysis, interpretation and discussion of the study into two main points; firstly the nature and impact of Western Cape Province BSR policy

framework, and secondly, the tourism BSR contexts and their alignment to the provinces' institutional framework. The researcher provided recommendations at this stage. Four main recommendations were made. These recommendations focused on stakeholders' relationship, awareness and compliance, management strategies and evaluation of tourism BSR activities and policies. The researcher identified further research possibilities inspired by the new research problems discovered. Conclusions were then drawn.

6.3   Operational Taxonomic Units Used in the Study

The OTUs used in this study were two local municipalities in the Western Cape Province. The Western Cape Province is divided into five district municipalities and one metropolitan municipality. These are further broken down into 23 local municipalities and one metropolitan municipality. Figure 2.1 in Chapter Two clearly indicates the two local municipalities chosen (The City of Cape Town Municipality and the Cape Winelands District Municipality). The researcher selected these municipalities because they are more popular with overseas tourists than the other four municipalities, and they have the highest concentration of tourist attractions. The increase in visitor numbers, especially overseas visitors, has helped to promote these areas in the international community, which has resulted in an influx of foreign tourists and increased local tourism investment.

6.4   Research Design or Type

The study is entitled "Social responsibility of the tourism businesses in the Western Cape Province, South Africa". The study contains existing information concerning the extent to which social responsibility considerations are evident in the tourism activities of the Western Cape. Thus, this is essentially an evaluative study.

Moreover, the study has a qualitative component because it endeavours to establish how stakeholders in the tourism industry interpret the government's social responsibility guidelines. The way tourism businesses go about their daily activities reflects the meanings or value they ascribe to the guidelines (De Vos, Strydom, Fouché & Delport, 2005). The qualitative research framework assisted the researcher in capturing this perception-based dimension of social reality.

In addition, the study has a quantitative component that provides rich information on different types of quantifiable inputs and outputs. Therefore, it was the researcher's intention to apply an integrated and mixed approach consisting of both qualitative and quantitative components. This overcomes the limitation of choosing one approach over the other (Blanche *et al.*, 2011). Combining qualitative and quantitative methods implies that descriptive and exploratory research methods are evident in this study. The descriptive component was purposely utilised for disclosing information on appearances and forms, and the relationships between them as per Altinay and Paraskevas (2008) and Hopkins's (2008) arguments. The qualitative component was concerned with explanations and touched on issues that reflect on how the values, ideas and interpretations of the stakeholders in the study influence their involvement, activities and concrete impacts on the tourism sector (Altinay & Paraskevas; 2008; Hopkins, 2008). It enabled the researcher to obtain information about what respondents think about the implementation of BSR guidelines in their respective tourism businesses.

Furthermore, the study is expository because it provides information that discloses problems not initially anticipated by the researcher. The researcher seeks to recommend new models of social responsibility-based tourism development that can contribute to the sustained development of the study area (Altinay & Paraskevas, 2008; Hopkins, 2008). Existing literature on the topic was used as a base to position the study in terms of the various research design types that constitute the tourism structure. Thus, the questionnaires used cover the descriptive, explanatory, evaluative and transformative components of the social research process.

6.5   Primary and Secondary Sources of Data

To achieve the objectives of this study, the researcher used the following secondary sources of information policies: documents published by the government and relevant local, provincial and national government and company reports. In addition, this method allowed the researcher to gain substantial knowledge and understanding of the BSR concept and its application globally and in South Africa, especially in tourism businesses within the Western Cape Province. Secondary sources further included published research by research institutions and government department

and agencies, such as South African Tourism (SAT), the Department of Environmental Affairs and Tourism (DEAT), the Department of Economic Development and Tourism, the former Cape Town Routes Unlimited (CTRU) (now Wesgro), Statistics South Africa (StatsSA) and the National Department of Tourism. These secondary sources assisted in providing tourism statistics, such as the contribution of tourism to the national economy, the growth of tourism since 1994 and the estimated number and type of tourists in the province and South Africa.

The primary data was collected using the survey method. The types of data collected are summarised in Table 6.1. The data derived from the seven themes identified that the researcher found to be relevant to the aims and the objectives of the study. These themes were adapted from the seven tourism policy aims and roles identified by Scott (2011) and Nyakunu and Rogerson (2014), and were applied to develop the questions and themes of the study. The seven aims and roles of tourism policies were presented in Chapter Four of the current study and are reflected in the global code of ethics for tourism discussed in Chapter Two. The seven themes were shared over the three set of questionnaires. The main questionnaire distributed to the tourism businesses consisted of five themes (local economic development, socio equality and pro-poor tourism, employment equity, economic development and competitiveness). The other two sets of questionnaires for the key informants of the study were created using one theme each, with one distributed to government officials (focusing on local control and sustainability) and another to community organisations (focusing on community wellbeing), see Annexure 'A-C'.

Types of primary data collected	
Themes	**Information derived from the identified themes**
Theme One: Local economic development	• Exploring the extent to which South African socio-economic policies strengthen the prosperity of the Western Cape Province and its local communities. • The reduction of leakage and retention of visitor spending in the province. • BSR policies' ability to influence tourism business ownership. • Type of linkage the tourism industry in the province has with stakeholders. • Working relationship between various stakeholders and tourism businesses in the Western Cape. • Tourism contribution towards the province's infrastructure development and job creation was examined. • The influence of the different tourism businesses in the province on socio-economic issues. • Adherence to and compliance with BSR policies and guidelines by the tourism businesses in the province in addressing the country's triple challenges.
Theme Two: Social equity and pro-poor tourism	• The ability, degree and widespread nature of the economic and social benefits deriving from the tourism industry. • The capability of the tourism businesses to improve job opportunities, income and services to the poor. • The identification and impact of the socio-economic policies and actions aimed at the disadvantaged and poor people of the province. • The level of tourism businesses' participation in the supply chain, enterprise formation within the poor communities, support of IT and infrastructure to the surrounding communities, improvements to educational development and the provision of cash to poor communities.
Theme Three: Community wellbeing	• This theme addressed the information examined in the first key informant (community) questionnaire of the study • The perception of community of tourism businesses in relation to: • Type of relationship that exists between the tourism businesses and communities. • Type of BSR activities and their impacts in addressing the triple challenges of the country within the identified communities.
Theme Four: Economic development	• The researcher searched for information concerning the contribution of BSR in relation to economic growth of the province and the country. • This included the ability of the tourism businesses in generating foreign revenue. • The extent and degree of the tourism businesses provision of sustainable .employment opportunities. • The contribution of the tourism businesses in improving the South Africa economy. • The involvement of the tourism businesses in creating BSR awareness, participating in research and the dissemination of BSR information for local

	investments.
Theme Five: Employment quality	• The collected data focused on the Western Cape tourism businesses' ability to improve the quality of local tourism jobs.
	• The assessment of service conditions within the tourism job market by focusing on variables such as discrimination by gender, race and disability.
	• The ability of the Western Cape BSR policies to address certain practical social issues in the workplace.
	• The extent to which tourism businesses in the province comply with the Employment Equity Act of 1998 and the B-BBEE Act and in establishing how this affects employment quality.
Theme Six: Competitiveness	• The researcher collected information that assisted in the assessment of the perceived value of BSR by tourism businesses.
	• Established the ability of the tourism businesses to maximise profits without compromising the law.
Theme Seven: Local control and sustainability	• Gathering information about the Western Cape Province, its municipalities and planning agencies' involvement in strengthening the relationship between the tourism businesses and the stakeholders. This information was captured from the second key informants (government) questionnaire of the study.

Table 6.1: Types of primary data collected (Based on fieldwork)

These data was acquired from tourism business managers and employee stakeholders. The key informants were government officials and community organisations. According to Clark *et al.* (1998) and Blanche *et al.* (2008), primary research refers to that data that is the original unrecorded data collected specifically and primarily for the research. The collection of data for this research took place over ten weeks, from 21 June to 4 September 2013. Data was collected from two district municipalities, namely the City of Cape Town Municipality and the Cape Winelands District Municipality, in the Western Cape Province.

To execute the data collection successfully, eight fieldworkers, including the researcher, were involved. The fieldworkers were identified based on their experience in research fieldwork. Out of the seven fieldworkers, six were studying towards their B-tech in tourism management at Walter Sisulu University. Irrespective of their experiences, fieldworkers had to be trained because each research project is unique and has its own specific requirements. The seventh field worker lectures in the Tourism Department at Walter Sisulu University while pursuing a master's degree in tourism with Durban University of Technology. Fieldworkers successfully completed 452 questionnaires with tourism businesses and twenty with key informants.

6.6 Population and Sampling Aspects of the Study

Blanche *et al.* (2011) describe a survey population as a larger pool from which sampling elements are drawn and findings for a study are generated. The total population of tourism businesses in the entire Western Cape was 5 180 (Wesgro, 2010). However, the total population of tourism businesses registered in the selected municipalities was 1 449 (Wesgro, 2010). The survey population for the study was drawn from the tourism businesses registered with Wesgro, the City of Cape Town Tourism Department, Cape Town Tourism and the Cape Winelands District Municipality. The key informants were drawn from government and community organisations in the Western Cape Province.

6.6.1 Identification of the Study Sample Frame

According to Rossouw (2005) and Blanche *et al.* (2011), a sample frame is the list from which the researcher creates a series of samples for a particular study. Arrangements were made with various tourism departments and agencies to obtain the list of tourism businesses in the Western Cape three months prior to data collection. Wesgro and the City of Cape Town Tourism Department provided the information requested within a week. However, Cape Town Tourism and the Cape Winelands District Municipality released their data only during the survey period. The list of accommodation establishments, tour operators, travel agencies, tourist transportation providers, attractions and other tourism businesses were drawn from Wesgro, Cape Town Tourism, the City of Cape Town Tourism Department and the Cape Winelands District Municipality.

The challenge with this sample frame was that the tourism businesses registered on a voluntary basis. Currently, none of the identified government departments and agencies requires compulsory registration. Tourism businesses that register do so for various reasons, including meeting tender requirements and for marketing purposes. Since some tourism businesses registered with two or three of the departments and agencies, there were duplications. Moreover, many of the businesses could not be accessed during the survey period. Some had closed, some had changed their business locations or contact details, and some simply did not exist.

6.6.2　　Determination of Sample Size for the Research

Altinay and Paraskevas (2008) define sampling as obtaining a representative subset of the total population. Sampling starts with defining the target population. The accessible population of the study was a subset of the target population that reflected specific characteristics of the target population, and was accessible for the study. Therefore, the sample size was 1 192. The tourism enterprises that formed part of the survey population included accommodation providers, transport services, tour operators, travel agencies and natural attractions. Table 6.2 shows the types of tourism businesses registered in the two municipalities surveyed.

As the accommodation sector dominates the industry, the researcher considered only large accommodation establishments as determined in terms of the total number of employees. The 2012/2013 CEE Annual Report for South Africa (2012) indicates that any business with 150 or more employees is considered a large business. Thus, guesthouses, backpackers, self-catering and bed and breakfast (B&B) businesses were omitted from the study.

Moreover, according to Makalipi (2014), the cut-off points used by the Department of Trade and Industry (DTI) indicates mega businesses being those with annual turnovers of R13 million and more. However, because it was difficult to obtain information that indicates the turnover of tourism businesses, all tourism businesses registered with Wesgro, COCT, CWDM and CTT were targeted with an exception of small businesses under the accommodation sector.

Table 6.2: Total number of registered tourism businesses in the two surveyed

Total number of registered tourism businesses in the two surveyed municipalities (N =1449)			
City of Cape Town Municipality		**Cape Winelands District Municipality**	
Accommodation	*297*	*Accommodation*	*114*
-Backpackers and self-catering	95	-B&Bs	53
-Hotels	77	-Lodges	25
-Guest houses	52	-Hotels	20
-B&Bs	45	-Guest houses	12
-Lodges	28	Attractions, including estate farms	284
Tour operators	82	Travel agencies	43
Travel agencies	75	Tour operators	27
Attractions	42	Car rentals	8
Destination marketing organisations	49		
Car rentals	21		
TOTAL	**863**		**586**

municipalities (Wesgro, 2010:1)

At each of the surveyed tourism businesses, managers and employees were surveyed. Additionally, the two different types of key informants of the study were surveyed. The first key informant was community organisations, of which ten were targeted. The second key informant was government tourism departments, one at provincial and two at local government level, and two destination-marketing agencies, as indicated in Table 6.3. A total of five questionnaires were targeted from government officials.

Table 6.3: Key informants used in the study: Community organisation members and government officials (Based on fieldwork)

Key informants (N= 15)	
Community organisations	10
Government tourism departments	5
Total = 15	

6.6.3   Sampling Procedures and Methods

Rossouw (2005) argues that a sample should reflect the characteristics of the group about which a researcher wants to make a statement to ensure the validity of his or her statements. The researcher considered several sampling techniques, including purposive, stratified and cluster sampling, while conducting the study to safeguard validity.

6.6.2.1   Purposive Sampling in the Identification of Relevant Respondents

Blanche *et al.* (2011) explain that purposive sampling is where the researcher selects cases for theoretical reasons. The researcher applied purposive sampling to place greater emphasis on the quality rather than quantity of information. Relevant managers and general employees responsible for BSR in tourism businesses were identified for the current study. The implementation of BSR requires managers to design and endorse the BSR policies for the company, and certain employees are

tasked with the implementation of BSR activities. In this study, one manager or owner and two employees for every tourism businesses were targeted.

6.6.2.2 Stratified Sampling in Determining Tourism Business Typologies

The implementation of BSR varies according to the size, location and type of tourism business. Some tourism businesses, such as golf courses and estates, depend entirely on the environment; hence, these tourism businesses are likely to be more biased towards environmental impacts rather than social impacts. Altinay and Paraskevas (2008) assert that stratified sampling involves the researcher dividing the population into similar, diametrically opposed clusters known as strata.

This study incorporated the stratified sampling method to group the tourism businesses into different categories and further according to regions, such as cities, towns, suburbs and townships. Accommodation was divided into 77 hotels and 28 lodges. The researcher identified 82 tour operators, 75 travel agencies, 42 attractions, 49 destination-marketing organisations and 21 car rental agencies registered within the City of Cape Town Municipality. The Cape Winelands District Municipality included 20 hotels, 204 attractions including estate farms, 43 travel agencies, 27 tour operators and 8 car rental agencies.

6.6.2.3 Use of Cluster Sampling in Managing Tourism Business Locations

The cluster sampling method was used because the tourism businesses under study were geographically diverse. The target tourism businesses were clustered in cities, towns, suburbs and townships. Fieldworkers managed the survey process because they surveyed the tourism businesses based on their geographical locations. The most popular tourist cities, towns, suburbs and townships were selected. Tourists visit popular cities and towns, including the suburbs and townships, or the areas in which popular natural, sociocultural and manmade attractions are located, which results in a high density of tourism businesses in these areas. The researcher surveyed the tourism businesses situated at or near these popular tourist destinations. This also assisted the researcher in analysing the impact of the

geographical spatial distribution of tourism business on the implementation of BSR, and the development of tourism in the province was analysed through the application of cluster sampling.

6.7   Questionnaire Structure and Measuring Instruments

The researcher designed the main questionnaire targeting tourism businesses and the key informants' sets of questions in relation to the aim and objectives of the study. The type and relevance of the data required was established. As indicated previously, the tourism policy aims and roles adapted from Scott (2011) and Nyakunu and Rogerson (2014) were applied to develop the themes and questions of the study. The themes were local economic development, socio-equality and pro-poor tourism, community wellbeing, employment equity, and economic development and competitiveness, including local control and sustainability.

The semi-structured questionnaire was found to be the most relevant because it allows self-administration and is easy to distribute for a large sample. Babbie (1992) believes that self-administered questionnaires make large samples feasible and are faster and cheaper to administer than other questionnaire types. All efforts were made to ensure that the questions in the questionnaires elicited responses and generated data relevant to the research objectives. Although most researchers fear designing lengthy questionnaires, Babbie *et al.* (2002) are of the view that researchers should not squeeze more than one question onto a line to shorten the questionnaire. The researcher used a six-page questionnaire, with thirty eight questions divided into sections to ensure that the layout and statements were properly constructed. This reduced the risk of respondents missing some of the questions or even losing interest in completing the questionnaire, dangers highlighted by Babbie *et al.* (2002). The study topic, survey's intention and type of questionnaire were clearly outlined at the beginning of the questionnaire. The interviewer's name, questionnaire number, date, and the name of the district and municipality were included in the questionnaire to ensure quality data capturing. An assurance that the respondent's anonymity would be maintained featured in the questionnaire.

Three sets of questionnaires were designed. One set of questionnaires, the tourism business owners or workers' questionnaire (see Annexure 'A'), was designed to gather the opinions of the managers and employees of tourism businesses on their understanding and awareness of, and involvement in, the implementation of BSR activities. Five themes were applied to create the questions for the main questionnaire used in the study: local economic development, socio-equality and pro-poor tourism, community wellbeing, employment equity, economic development and competitiveness. The other two sets of questionnaires were used to gather information from the key informants of the study, namely, community organisations (see Annexure 'B') and government officials in the study region (see Annexure 'C'). The key informants' questionnaire targeting government officials covered one theme, namely local control and sustainability. The key informants' questionnaire distributed to community organisations was designed around one theme as well, namely community wellbeing.

Several aspects of questionnaire structure were considered, including the layout, presentation and format of the questions. Although the themes and number of pages differed, the layout, presentation and question structure of the three questionnaires were the same. The questions also requested the background or demographic information of both tourism businesses and respondents, such the racial backgrounds of respondents and tourism business owners, their age, gender, level of education and type of employment, the tourism business type, the duration of BSR implementation and the budget allocated to BSR.

Open-ended and closed-ended question structures were also considered. The researcher used opened-ended questions to allow the respondents to provide their opinions and views of the questions asked. Closed-ended questions were applied for easy coding and analysis of data. In addition, they facilitated respondents' understanding because they provided more context and allowed the researcher to provide the respondents with options, which increased the response rate. Moreover, the questionnaire was designed to allow the research team to ask several questions that had the same set of answer categories. In this case, the researcher constructed question matrices and applied a five-point Likert scale to generate answers to the opinion surveys. SA (strongly agree), A (agree), N (neutral), D (disagree) and SD

(strongly disagree) codes were used. According to Babbie *et al.* (2002), the five-point Likert scale ensures the efficient use of time while increasing the comparability of the responses.

6.7.1 Validity and Reliability of Measuring Instruments

6.7.1.1 Validity of Measuring Instruments

To ensure data collection was successful, the validity and reliability of the survey instruments were considered. Validity refers to the extent to which the empirical measures accurately gauge the element they intended to measure. Two aspects constitute validity: that the tool used definitely measures the element or idea in question, and that the instrument measuring this concept is accurate. Altinay and Paraskevas (2008) argue that it is possible to have an instrument that measures the concept in question, yet the results may not necessarily be accurate, and the researchers contend that it is impossible to have an accurate result if the instrument does not measure the concept in question. In other words, the validity of the instrument is measured mostly by its ability to measure the concept in question (Altinay & Paraskevas, 2008).

To guarantee the validity of the measuring instrument used in this study, the researcher assessed the questionnaires' validity. First, the instrument was measured to ensure that it included the content, the study topic and the objectives. For example, the respondents were asked to identify the indicators that their tourism businesses are using in the BSR implementation processes to assess the capacity and sustainability of Western Cape tourism BSR. The researcher further assessed the questionnaires' validity using the following techniques:

- The questions were grouped into themes and placed in a certain order.
- The researcher placed the straightforward, less sensitive questions at the start of the questionnaire.
- Questions were relevant, the wording appropriate and the layout properly designed.
- The questions were formulated in a clear, simple manner without using jargon or specialist terminology.

- The questionnaires were designed in such a way that each question was clearly written on one line (see annexures 'A' to 'C').

- Contingency questions were used to avoid placing inappropriate pressure on the respondents. In this way, irrelevant questions and questions deemed inappropriate at the time of survey were replaced.

Validity was further checked using the study variables. For example, the variables that dealt with the investigation of employees' skills development, job type and type of employment as BSR indicators were relevant from the perspective of the employees interviewed. In this case, because the BSR implementation structure was found relevant to employees, the instrument successfully measured what was originally intended. Therefore, the indicator could be considered valid for the study.

Second, the instrument ensured criterion-related validity or its predictive value based on external criteria. Babbie (1992) and De Vos *et al.* (2005) argue that this is the most problematic method of validation because it measures the degree to which a tool fully measures a theoretical concept. For example, the validity of the tourism businesses' BSR activities was indicated by the tourism representatives' prediction of their BSR effects on stakeholders.

6.7.1.2   Reliability of the Measuring Instruments

According to Babbie (1992), the reliability element measures whether a technique used, if applied repeatedly to the same object, would provide the same results each time it is used. It does not include what is being measured but how it was measured (De Vos *et al.*, 2005). To measure the reliability of the questionnaire used, the researcher adopted some of Neuman and Krueger's (2003) suggestions, such as:

- ***Clearly conceptualising all constructs***: By developing a clear theoretic meaning for every idea and ensuring that each indicator measures only one precise feature. For example, the questionnaire was divided into seven themes, each dealing with one category, local economic development or pro-poor tourism.

- ***Increase the level of measurement***: This refers to the application of indicators that are at a higher or more precise level of measurement that is

believed to be more reliable than other less precise measures. In this case, the researcher surveyed not only one but two employees, as well as managers or any relevant persons dealing with BSR. Employees are considered BSR stakeholders, therefore the less knowledge they have about the concept, the greater the likelihood of the tourism business not engaging in BSR activities.

- ***Use of multiple indicators of a variable***: In this case, a number of questions in the questionnaire were applied to measure each part of a variable. Thus, two or more indicators were used to measure every aspect of a variable. The researcher applied the test-retest method encouraged by Babbie (1992) and Altinay and Paraskevas (2008). The same measurement was applied more than once to test if the answers would vary. Thus, the questions were formulated in different ways and repeated.

- ***Use of pre–test, pilot studies and replications***: The researcher developed a draft questionnaire that was sent to her academic supervisor to ensure the instrument's reliability and validity. In addition, the researcher conducted a pilot study on three colleagues who engage in research daily to test the questionnaire's reliability and validity. Moreover, a week before data collection commenced, the three sets of questionnaire were circulated between the seven field workers for completion to identify its shortcomings. The following were highlighted through the pre-testing of the study:

- Spelling and grammatical errors;
- Logic and flow of questions;
- Time required to complete the questionnaire (five to ten minutes);
- Clarity of questions or terms that could easily be misinterpreted;
- Additional questions that were necessary to respond to research questions; and
- The layout and presentation of the questionnaire.

6.7.2   The Research Instruments Used in the Study

The quality of research largely depends on the quality of the data collection tools (Wilkinson & Birmingham, 2003). A number of research instruments, namely questionnaires, interviews and observations, can be used to collect data. However, interviewing and administering questionnaires are the most commonly used research techniques (Gray, 2004; Sutton & Sutton, 2004). These instruments provide affordable and effective means of collecting data, which is well organised and easy to manage (Heaton, 2004; O'Leary, 2004). To obtain quality data for analysis and to achieve the objectives of this study, the survey questionnaire was used.

Semi-structured administered questionnaires were used to ask various questions on the topic under study. Face-to-face and telephonic surveys were found to be useful. The fieldworkers received training prior to the data collection process to familiarise them with the research study. Data collection was expected to take place over three weeks due to the geographical spread of the tourism businesses in the municipalities. However, the collection of data took longer than three weeks due to financial constraints.

6.7.2.1 Semi-Structured Questionnaire Survey for Primary Data Collection

The semi-structured questionnaire survey method used in the study was flexible and allowed issues resulting from the respondents' responses to emerge during the survey. Self-administration of the questionnaires allowed flexibility while providing encouragement and motivation to respondents when the need arose. It should be noted that although this technique was used, few respondents completed the questionnaires by themselves. Most respondents relied on fieldworkers to complete the questionnaires.

In total, 1 149 questionnaires were allocated for distribution to relevant tourism businesses. In addition, 30 questionnaires were distributed to key informants (government tourism departments and community organisations). However, only 452 questionnaires were successfully completed due to the fact that most Human Resource managers were on leave. In terms of the key informants, government tourism departments and agencies completed five questionnaires and community

organisations completed fifteen. A target for tourism businesses was one manager or owner and two employees in every business.

The fieldworkers completed 232 face-to-face questionnaires in the first week. The questionnaires were completed using HB pencil to allow correction if errors occurred. Each fieldworker was supplied with a clipboard and eraser and all were in the possession of cellular phones that allowed them to navigate the locations of tourism businesses and communicate with each other via the WhatsApp messaging network. The WhatsApp network was the most useful communication tool for the fieldworkers because it allowed them to update each other regarding the types and names of tourism businesses they had surveyed to avoid repetition. Furthermore, it helped them to share challenges during the survey and provide solutions between each other. To ensure the questionnaire's reliability and validity, the team reported their performance and submitted the completed questionnaires every evening. The challenges of the day were discussed during these meetings and suggestions were made for improvement. The researcher requested each field worker to take a turn at chairing the meetings. This created a relaxed environment, leading to a positive attitude towards the exercise, and also improved opportunities for empowering fieldworkers.

The survey ran from 10:00 until 18:00 every day except Sundays. This was decided after realising that most tourism businesses were busy from 09:00 until 10:00 (checkout time). On some occasions, the team continued with the survey until 21:00, surveying the tourism businesses close to the fieldworkers' accommodation establishment. On arrival, the team started with the suburbs around their accommodation establishment. These suburbs included Green Point, Seapoint, Bantry Bay, Granger Bay and the Victoria and Alfred Waterfront, some of the suburbs and areas with the highest concentration of tourism businesses in the Western Cape. The second areas that the team surveyed were the Cape Town City Centre and the Gardens suburb. These areas were surveyed based on their high concentration of tourism businesses.

The suburbs outside the Cape Town City Centre followed. The southern suburbs, including Simon's Town and Fish Hoek, are also known for their popularity in the

tourism industry. The Somerset West and Gordon's Bay suburbs were also targeted. During the survey, two or three fieldworkers worked together in suburbs outside the city centre for security and moral support. After surveying the southern suburbs, the team moved to the Cape Winelands District Municipality. The first area surveyed was Stellenbosch; Franschhoek and Paarl followed. The various estates and wine farms on route to and around each of these towns were surveyed. The team further covered the Camps Bay and Hout Bay areas, Table View, Millerton and northern suburbs, such as Bellville, which are less popular tourist destinations.

Each area was visited at least twice. On the first day, the team discovered that some tourism businesses request an appointment be made because the managers or individuals responsible for BSR activities were not always available. Therefore, the team was forced to revisit the area and those specific tourism businesses. In some cases, team members were asked to leave the questionnaires behind. This occurred seldom because the team had been trained to persuade the respondents to complete the questionnaires in the presence of the fieldworkers.

6.7.2.2 The Adoption of Telephonic Survey for Primary Data Collection

Telephonic surveys were also used to collect data. According to Babbie (1992), telephonic surveys are popular because they are cheap and save time. In addition, respondents are often more honest in providing socially unacceptable answers if they are not facing interviewers (Babbie, 1992). Telephonic surveys were utilised to obtain information, especially about questions relating to racial groups, types of ownership and other sensitive matters. The telephonic survey method was used to reach tourism businesses located far from towns or suburbs. Moreover, those who were not accessible due to poor signage or poor infrastructure had to be surveyed via telephone. Furthermore, some tourism businesses, mainly tour operators and travel agencies, were operating from homes, with no indication of residential addresses. Conducting face-to-face surveys was challenging in these types of tourism businesses because they were often difficult to locate.

As mentioned previously, the sample frame for the study was drawn from Wesgro, the City of Cape Town Tourism Department, Cape Town Tourism and the Cape

Winelands District Municipality. This list was used mainly for conducting telephonic surveys. Telephonic surveys commenced in the second week of the survey, but took place for only one day at this stage and continued again a week later. During the meeting with Wesgro, one of the employees volunteered to assist the researcher in executing the survey successfully, and the agency provided a fully equipped office for data collection. One fieldworker was assigned to conduct surveys telephonically, while the remainder continued with face-to-face surveys. The fieldworker was further responsible for arranging appointments on behalf of the rest of the team. Where fieldworkers were requested to make telephone calls to arrange appointments, the fieldworkers contacted the office via WhatsApp to request that appointments be made.

6.7.3   Challenges Encountered and Resolutions Considered During the Survey

The researcher encountered numerous problems during the data collection process. However, she improvised to overcome these issues and to ensure the success of the study. The most complex challenge was accessing the approved study grant funding. Due to a lack of funds, six members of the team were sent home. The researcher selected the two best fieldworkers, who had been reaching the target of seven completed questionnaires or more per day, to remain and continue the survey.

In addition to financial constraints, managers and employees claimed to be busy with clients and unable to participate in the survey. This happened although the survey took place during the tourism off-season in South Africa. In most cases, the fieldworkers were asked to leave the questionnaires behind and return the following day to collect them. However, this proved problematic because the fieldworkers would return only to find different staff members on duty, as employees tended to work shifts. Since this strategy was found to be inefficient, the team was encouraged to persuade staff members to spare a few minutes of their time, and when clients arrived, the fieldworkers would step aside and patiently wait until the clients had been served. Although this compromised the quantity of questionnaires completed, it improved the quality of the data collected and the performance of the fieldworkers.

Another problem fieldworkers faced was that the study was carried out during the off-peak tourist season in that part of South Africa (June to September), when most managers and employees took their annual leave. In many cases, these were the human resource managers who were knowledgeable about BSR issues. The contact details of such individuals were requested and e-mails sent to them for their response upon their return to work.

Data collection difficulties varied from one type of tourism business to another. For example, bureaucratic processes complicated the survey of the wine farms. Most wine estates and farms formed consortiums, and to access them, the team had to request permission for surveying the employees. The recommended contact person was often irritated that the research team had access to his or her personal cell phone number and team members often had to explain how the contact details were obtained. Following numerous explanations, the team members would be told to phone the following day, only to be informed that a survey is not allowed in the business. The team therefore relied more heavily on wine estates that operate independently.

In addition, some of the rental car companies outsource certain business operations. As such, their employees had little knowledge of and involvement in tourism BSR issues. Sometimes these members of staff were aware of the BSR concept but felt that it was the responsibility of the head office, not the regional office, to divulge information. Other travel agencies wanted payment for the time spent providing information for this survey. Considering these problems, obtaining the information needed for this exercise often depended on the negotiating skills of the field workers.

Several tourism businesses were not willing to participate in the study due to lack of interest in the topic. Indeed, the response rate was highest in tourism businesses that already practice BSR. Furthermore, the front office staff or receptionists of some of tourism businesses would refuse to grant access to the managers on grounds of protocol. Other tourism businesses requested appointments to be made telephonically or via e-mail, only to decline the appointments later. Weekends were unsuitable for data collection because most management staff members do not work, so appointments for such companies were made for Mondays. In some

tourism businesses, especially small businesses, employees were not allowed to provide any information unless prior approval was obtained from the tourism business owner or head office of franchise businesses.

The research team realised that employees' dispositions were dissimilar. Some were difficult to deal with; hence, members of the research team who were initially rebuffed would be assigned to revisit the same tourism business the following day to deal with another employee. Often the response would be different, access would be granted and the questionnaires would be completed successfully. It was rare that tourism businesses would have the same staff members working on two consecutive days.

With regard to the telephonic surveys, it was difficult to persuade the respondents to complete the questionnaires. However, most of the respondents would politely refuse to respond in contrast to respondents who were surveyed face-to-face. The respondents wanted to know how long the survey would take because they feared losing businesses if they spent too much time talking on the telephone. Therefore, the team had to summarise the questionnaires and listen carefully because there was not time to ask respondents to clarify their answers. Due to the shortage of telephone facilities, telephonic surveys were assigned to two fieldworkers, which reduced the response rate and lengthened the duration of data collection.

6.8   Data Analysis

Numerous authorities, including Hofstee (2006) and Bloomberg and Volpe (2008), have discussed the relevance of data analysis for addressing the objectives of research projects. Data analysis is described as a process in which the researcher selects the information or data required for a specific research project from the general field. The data is then filtered until only the critical data remains. The analysis was done using computer software, the Statistical Package for Social Sciences (SPSS), to assist the researcher in generating frequencies, such as the total number of accommodation establishments and the modes of tourist transportation available. The qualitative method was suitable for analysing respondents' opinions. Therefore, the researcher applied the qualitative method to analyse respondents' opinions and views.

Some of the information was captured in tabulated charts, frequency tables and graphs, and others presented in the form of maps. According to Norman (2003), this is useful for an improved interpretation of the results. The researcher used several statistical classification techniques, including correlation co-efficient, regression and factor analysis, to indicate the variations in the impacts of the implementation of tourism BSR regulations. Again, the analysis was done using SPSS.

6.9   Ethical Considerations

The researcher ensured that ethical considerations were adhered to, as stipulated in the College of Agriculture and Environmental Sciences (CAES), UNISA's ethics document. The researcher obtained an approval letter from the Western Cape Department of Economic Development and Tourism to distribute questionnaires. Respondents were made aware of the purpose of the study and the conduct details for further inquiry were provided, (See Annexure A-C). A statement was issued indicating that participation was voluntary. The respondents were informed that their names, and of their organisations would not be revealed to ensure anonymity.

6.10   Chapter Summary

In this chapter, the researcher presented an outline of the methodology of the study. A discussion of the research methodology process was followed by disclosure of the research designs used in the study. The different sampling methods used during data collection were then described. The sources of primary and secondary data, an examination of the validity of the data and research instruments followed. Furthermore, the techniques used in the analysis of the data were discussed. Finally, the chapter provided insights regarding the challenges encountered during the data collection process and the techniques used to address them.

Chapter Seven

Presentation of the Research Findings

7.1   Introduction

Chapter Six contains an account of the research methodology used to collect and analyse information for this study. This chapter and chapter Eight present the

findings of the study. The findings are based on tourism business employees, managers and owners' perceptions, understanding and knowledge of BSR. The surveyed tourism businesses' BSR reports do not form part of the primary data for the study. Moreover, government and community organisations' perceptions were considered as key informants of the study. This chapter features the first part of the findings, mainly discrete information representing the raw material for the information in the next two chapters. Chapter Eight is more comprehensive and concentrates on structural patterns, clusters and relationships in the findings.

The data in this chapter are arranged according to the research questions and objectives of the study. Burnard, Gill, Stewart, Treasure and Chadwick (2008) explain that thematic content analysis involves discovering themes or patterns in survey questionnaires or interviews. The thematic content analysis method was adopted to identify the themes and categories that initially emerged from the raw data generated in the field. The collected data was continuously verified and confirmed. This resulted in a coding framework that helped to reduce, refine and organise the volume of unprocessed information considerably.

A theory-guided data arrangement is used to present the findings in this chapter and Chapter Eight. The findings are governed by the researcher's selected theory on tourism business social responsibility. The first theme in this chapter is LED, with others following. Tables and graphs are used for illustration and interpretation of the findings wherever necessary. This chapter is, therefore, the first phase of the presentation of the raw data of the findings. The implications of the raw data in terms of tourism BSR are dealt with in chapters Eight and Nine.

7.2   Local economic development

7.2.1   Categorisation of the Surveyed Tourism Businesses

This theme was applied to establish the contribution of tourism in the Western Cape to ensuring prosperity and reducing fiscal leakage. The survey included 307 different types of tourism businesses from the two most popular tourism districts in the overseas market in the Western Cape Province, as indicated in tables 7.1a and 7.1b.

In the City of Cape Town Municipality and the Cape Winelands District Municipality, 452 questionnaires were completed successfully. The questionnaires were distributed to one tourism business manager or one owner and two general employees. A total of 236 general employees completed the questionnaires. Managers were divided into three categories. Middle managers completed 121 questionnaires, senior managers completed 61 and lower managers completed 16. Eleven respondents did not provide their level of employment, and seven tourism business owners completed the questionnaires.

The main types of tourism businesses were divided into four groups (see Table 7.1a). This was further broken down into subcategories, as illustrated in Table 7.1b, to facilitate interpretation. In some cases respondents were responsible for more than one type of tourism business. The results indicate that accommodation establishments (51.7%) dominated the study; 18.4% of tourism businesses were tour operators and 11.2% transport companies. Tourist attractions comprise 9.5% and travel agents 9.2%. Some tourism businesses (0.2%) were classified as 'other'.

Table 7.1a: Main types of tourism businesses surveyed in the Western Cape Province

Main types of tourism business surveyed (Multiple responses permitted) (N = 307, in %)			
Accommodation	51.7	Attractions	9.5
Tour operators	18.4	Travel agents	9.2
Transport	11.2	Other (specify)	0.2
Total = 100.2			

The accommodation sector indicated in Table 7.1a was further divided into hotels, lodges and resorts, while transport was subcategorised as car rentals, trains, and other modes of transport, as seen in Table 7.1b. Guesthouses, bed and breakfasts, and backpackers were omitted from the study purposely because of their low commitment to BSR. The highest percentage of surveyed tourism businesses were hotels at 30.5%. Tour operators came second at 25.9%, while lodges account for 9.2% and travel agencies for 8.8%. Moreover, 6.3% of the total sampled tourism businesses were wine farms and 3.2% were yachts, with remaining tourism businesses accounting for less than 3%. The type of tourism business ownership was also identified.

Surveyed tourism business categories in the Western Cape Province								
Type of business		%	Type of business		%	Type of business		%
Hotels	93	30.5	Nature trails	4	1.3	Botanic gardens	1	0.3
Tour operators	79	25.9	Airlines	4	1.3	Nurseries	1	0.3
Lodges	28	9.2	Destination management	3	0.9	Theme parks	1	0.3
Travel agencies	27	8.8	Coaches	2	0.7	Islands	1	0.3
Wine farms	19	6.3	Resorts	2	0.7	National parks	1	0.3
Yachts	10	3.2	Casinos	1	0.3	Tourism properties	1	0.3
Nature reserves	9	2.9	ICCs	1	0.3	Shopping malls	1	0.3
Car rental agencies	8	2.6	Castles	1	0.3	Media concepts	1	0.3
Golf courses	7	2.3	Trains	1	0.3			
Total of number businesses = 307					Total of percentage = 100.5			

Table 7.1b: Surveyed tourism business categories in the Western Cape Province

7.2.2   Ownership of the Surveyed Tourism Businesses

According to Gopaul (2006), the formal tourism business sector in South Africa is characterised by inequalities in tourism business ownership, with tourism businesses being predominantly foreign-owned. The respondents were requested to indicate whether their tourism businesses were foreign or locally-owned. Figure 7.1 shows that 89.7% of the respondents pointed out that their businesses were locally-owned and 7.8% specified foreign ownership. The remaining 2.5% of respondents indicated joint local and foreign ownership.
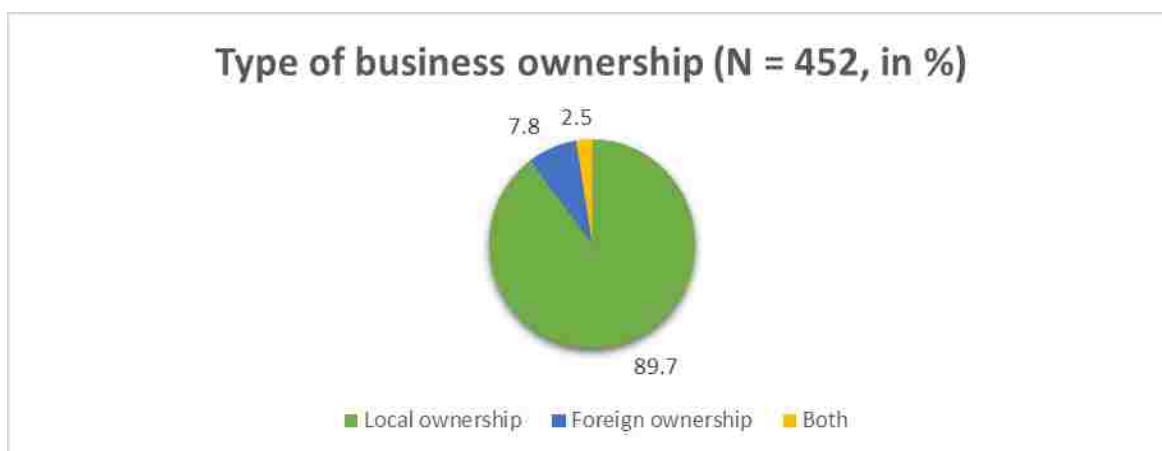
Figure 7.1: Type of ownership of surveyed tourism businesses

7.2.3   Workforce Profile by Total Number of Employees

According to Evngelinos *et al.* (2008), the bigger the tourism business, the greater its likelihood to engage in BSR activities and use BSR as a marketing strategy. The total number of employees was used to determine the size of the surveyed tourism businesses, as seen in Table 7.2. The highest percentage of respondents (33.3%) represents tourism businesses that consist of one to ten employees. Of the remaining businesses, 19.2% maintained confidentiality about their employee numbers, 14.6% mentioned 11 to 20 employees and 7.9% cited 21 to 30 employees. Those with more than 200 employees constituted less than 2.6%, while 2% of tourism businesses had over 300 workers.

Table 7.2: Total number of employees

Total number of employees (N = 452, in %)			
No. of employees	%	No. of employees	%
1 – 10	33.3	41 – 50	2.6
Unknown	19.2	200 – 300	2.6
11 - 20	14.6	300 >	2.0
21 - 30	7.9	91 –100	1.4
30 – 40	6.6	71 – 80	1.3
100 – 200	5.5	61 – 70	0.3
51 – 60	2.7		
Total = 100			

7.2.4   Owners' Racial Backgrounds

Juggernath *et al.* (2011) mention that during the apartheid period, race and gender discrimination practices favoured White people. The tourism business representatives were asked about the owners' racial backgrounds. The majority (87.8%) were White, as illustrated in Figure 7.2. Black ownership followed at 4.9%, Indian with 4.7% and Coloured with 1.8%. The remaining 0.8% did not disclose the business owners' racial backgrounds.
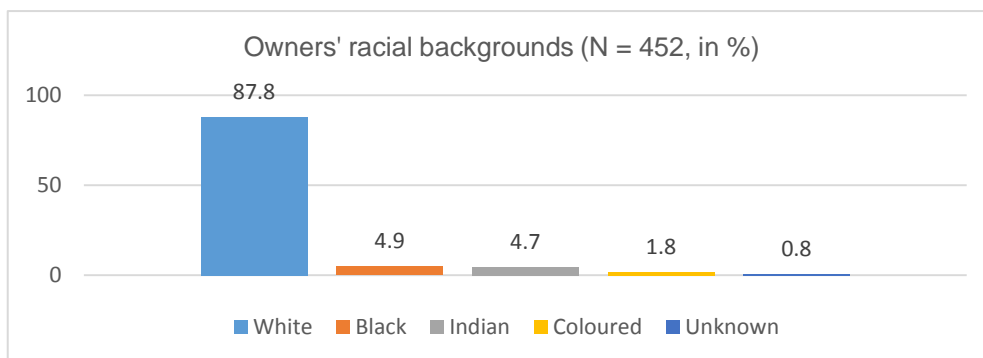
Figure 7.2: Racial backgrounds of tourism business owners

7.2.5 Owners with Mixed Racial Backgrounds

Other respondents reported that their tourism businesses had different types of ownership: 45.6% said they did not know, while 31.8% indicated that the government owned the tourism businesses (see Table 7.3). In addition, 4.5% of respondents indicated a combination of Coloured and White, and Black, Coloured and White ownership. Table 7.3 presents business ownership by mixed racial category.

Table 7.3: Business ownership by mixed racial category

Owners' racial backgrounds (N = 22, in %)			
Do not know	45.6	White and Black	4.5
Public owned	31.8	Black, Coloured and White	4.5
Coloured and White	13.6		
Total = 100			

The relationship between the surveyed tourism businesses with their stakeholders is established and presented in the section that follows.

7.2.6 Formal Link Between Surveyed Tourism Businesses and Stakeholders

In Africa, the relationship between society and tourism business remains unclear because of the lack of BSR framework (Dzansi & Pretorious, 2009). The respondents were asked if their tourism businesses have any form of relationship

with stakeholders (such as local communities, employees, customers, shareholders and suppliers). The results are depicted in Table 7.4. The majority of respondents (93.5%) answered 'yes', 6.0% said 'no' and 0.5% were not sure if such relationships exist.

Table 7.4: Link

Relationship between tourism businesses and stakeholders (N = 452, in %)					
Yes	93.5	No	6.0	Not sure	0.5
Total =100					

between the surveyed tourism businesses and stakeholders

7.2.7 Types of Formal Link Between Tourism Businesses and Stakeholders

This analysis was important to establish the intention of tourism businesses in forming links with stakeholders. In a follow-up question, the researcher requested that those respondents who indicated that their tourism businesses have relationships with stakeholders provide clarification (Table 7.5). Fifty-nine per cent mentioned donors, 36.8% sponsors and 21% partnerships. Others mentioned friendship (13.4%), and 6.7% indicated public private partnerships (PPPs), while 4.5% did not know . Because regulations or standards could guide the types of relationship that exist, the next findings address BSR regulations.

Table 7.5: Types of links between tourism

Types of linkage (Multiple responses permitted) (N = 418, in %)			
Donor	59	Friendship	13.4
Sponsorship	36.8	Public private partnership	6.7
Partnership	21	Do not know	4.5
Total = 141.4			

businesses and stakeholders

7.2.8 Levels of Awareness of and Compliance with BSR Regulations

According to Cowper-Smith and De Grosbois (2011) and Nižic *et al.* (2011), tourism businesses have been aware of their environmental and social impacts for more than twenty years. Table 7.6 illustrates that more than half of respondents (57.8%) declared their awareness of BSR regulations, 25% were unaware and 12.8% were unsure. Lastly, 4.4% indicated their awareness of and compliance with BSR regulations.

Table 7.6: Tourism businesses' levels of awareness of and compliance with BSR regulations

Businesses' levels of awareness and compliance (N = 222, in %)			
Aware	57.8	Not sure	12.8
Not aware	25.0	Aware and comply with BSR regulations	4.4
Total = 100			

7.2.8.1   Types of International and National BSR Guidelines

An additional follow-up question assessed the respondents' awareness levels of tourism BSR guidelines. Relationships were established between international and national guidelines, as seen in Table 7.7. Concerning the identification of national tourism BSR regulations, the highest percentage of respondents (48.1%) identified the Automobile Association (AA) Council. B-BBEE was reported by 20.5% of respondents, 19.2% did not know and 9.6% mentioned labour law. South African constitutional law was highlighted by 1.7%. The Children' Act, Consumer Protection Act, fair trade tourism, Maritime law, the SA Golf Association and the Skills Development Act were each identified by 0.8%.

Identification of national BSR guidelines (Multiple responses permitted) (N = 239, in %)		Identification of international BSR guidelines (Multiple responses permitted) (N = 239, in %)	
AA Council	48.1	Do not know	79.9
B-BBEE	20.5	African Footprint	18.0
Do not know	19.2	Not sure	9.3
Labour law	9.6	B-BBEE	0.4
South Africa 's constitutional law	1.7	Millennium Development Goals (MDGs)	0.4
Children's Act	0.8	Unesco	0.4
Consumer Protection Act	0.8	World Wildlife Fund (WWF)	0.4
Fair trade tourism	0.8	None	0.4
Maritime law	0.8		
SA Golf Association	0.8		
Skills Development Act	0.8		
Subtotal = 103.9		Subtotal = 109.2	
Total = 213.1			

Table 7.7: Identification of international and national BSR guidelines

The majority (79.9%) could not identify international guidelines; 18% mentioned African Footprint and 9.3% were unsure. A few respondents (0.4%) mentioned B-BBEE, and a small percentage (0.4%) indicated the King Report III, Millennium Development Goals (MDGs), the World Wildlife Fund (WWF) and Unesco respectively. The remaining 0.4% answered 'none'.

7.2.8.2 Compliance with International and National BSR Regulations

MEDS complements ASGI-SA on the regulations of socio-economic policies, including environmental conservation, in the tourism sector (Western Cape Government, 2006). To assess the impact of MEDS, respondents were requested to state their businesses' level of compliance with tourism BSR standards. As shown in Table 7.8, at a national level, the highest percentage of respondents (64%) identified B-BBEE, while 16% did not know. The Women Empowerment and Gender Equality Bill was mentioned by 6.6%, and 3.7% identified the Employment Equity Act and National Management Act, respectively. Labour law was mentioned by 2.9% of the respondents and the Consumer Protection Act by 1.5%. The King Report III, Maritime law, the Procurement Act and the Public Financial Act were mentioned by 0.7% of the respondents, respectively.

Compliance with South Africa's BSR regulations (Multiple responses permitted) (N = 135, in %)		Compliance with international BSR regulations (Multiple responses permitted) (N = 135, in %)	
B-BBEE	64	Do not know	3.7
Do not know	16	Adhere to B-BBEE	2.2
Women Empowerment and Gender Equality Bill	6.6	Women Empowerment and Gender Equality Bill	2.2
Employment Equity Act	3.7	Human Rights Act	0.7
National Environmental Management Act	3.7	King Report III	0.7
Labour law	2.9	MDGs	0.7
Consumer Protection Act	1.5	Unesco	0.2
King Report III	0.7	WWF	0.2
Maritime law	0.7		
Procurement Act	0.7		
Public Financial Act	0.7		
Subtotal = 102.2		**Subtotal = 10.6**	
Total = 111.8			

Table 7.8: Compliance with international and national BSR regulations

Regarding international BSR compliance, 3.7% of the respondents did not know. The B-BBEE and Women Empowerment and Gender Equality Bill were reported by 2.2% respectively. A total of 0.7% mentioned Human Rights Acts, the King Report III, and Millennium Development Goals respectively. The remainder mentioned Unesco and the WWF respectively (0.2% each).

7.2.9   BSR Policies that Govern Tourism Business Activities

Due to the general lack of frameworks and policies that govern BSR in Africa, implementing BSR is challenging (Dzansi & Pretorious, 2009). Therefore, the researcher assessed whether the respondents were familiar with their businesses' BSR policies. Table 7.9 demonstrates that more than half of the respondents (57.5%) agreed that their tourism businesses have policies that govern their BSR activities. However, 32.7% of respondents disagreed and 9.8% were unsure.

Table 7.9: Existence of BSR policy for the surveyed tourism businesses

BSR policy for tourism businesses (N = 452, in %)				
Yes	57.5	No	32.7	Not sure	9.8
Total = 100				

7.2.9.1   Individuals Responsible for Tourism Businesses' BSR Policy Formulation

Ferrell *et al.* (2007) state that managers are under pressure to establish BSR policies. The respondents were asked to identify the individuals responsible for their tourism BSR policy formulation. Of the respondents, 53% mentioned managing

directors, 31% identified chief executive managers, 14.5% felt that the responsibility lay with managers and 6.5% mentioned senior officials (Table 7.10).

Formulation of BSR policy (Multiple responses permitted) (N = 137, in %)			
Managing director	53	Manager	14.5
Chief executive manager	31	Senior official	6.5
Total = 105			

Table 7.10: Formulation of tourism businesses' BSR policies

7.3   Social Equity and Pro-Poor Tourism

7.3.1   Identification of BSR Activities in Surveyed Tourism Businesses

The data categorised under this theme related to the ability of businesses to promote social equity and pro-poor tourism through BSR activities. According to Taru and Gukurume (2013), local communities can depend on tourism businesses for skills training, jobs and incomes. The respondents were asked to identify their concrete tourism BSR activities. Table 7.11 contains the findings by setting out the BSR activity choices provided. Table 7.12 provides a more detailed report on tourism BSR activities where data was obtained using open-ended questions. Table 7.11 shows that donations (62.3%) and education and training (56.6%) were the main BSR activities mentioned by more than half of the respondents. Of the respondents, 34.1% identified employment opportunities, 30.3% sponsorship, volunteerism work, 16.4% and 13.5% cash benefits. Of the remaining respondents, less than 10% highlighted the development of public facilities, infrastructural development, the provision of facilities and the promotion of information technology, respectively.

Table 7.11: Tourism BSR

BSR activities in which businesses are engaged (Multiple responses permitted) (N = 452, in %)			
Donations	62.3	Developing public facilities	7.7
Education and training	56.6	Local infrastructure development	6.6
Employment opportunities	34.1	Provision of facilities	6.2
Sponsorship	30.3	Community development programme	5.3
Volunteer work	16.4	Promoting ICT	2.4
Discounting prices	14.2	Do not know	1.5
Cash	13.5		
Total = 257.1			

activities in which tourism business are engaged

7.3.2   Tourism BSR Activities' Specifications and Dimensions

Koestoer (2002) and Argandoña (2010) encourage tourism businesses to be certain of the extent to which they perform BSR activities because their contributions should be good for them rather than harmful to them. To test the sustainability and level of local prosperity in the province resulting from tourism BSR activities, respondents were asked to provide a detailed report of BSR activities (see Table 7.12).

Environmental activities were the most popular (15.9%). Promoting the efficient use of electricity was the most common activity (3.6%), followed by the recycling of paper and the efficient use of water (2.9%), each. Finally, managing encounters with snakes and re-using sailing oil were identified by 1.3%.

Education and training came second at 7%. Respondents identified the sponsorship of school sports activities (1.9%) and providing bursaries for matriculants (0.9%), as well as sailing and diving for employees and in-house training (0.6%, each). Respondents further reported numerous additional activities (0.3%, respectively). *Donations* included food (2.3%), clothes and Christmas gifts (0.9%, respectively), cash (0.6%) and various other items (0.3%, each).

In terms of *health awareness*, respondents identified HIV/AIDS awareness campaigns as the most important tourism BSR health activities (1.6%). Cancer awareness campaigns, promoting funeral policy cover for staff and supporting mental health institutions were each identified by 0.3% of the respondents.

Tourism BSR activities' specifications (Multiple responses permitted) (N = 309, in %)			
Did not specify			56.3
ENVIRONMENTAL DIMENSION			
Protection of the environment:		• Noticeboards on how to save water	0.3
• Efficient use of electricity	3.6		
• Recycling paper	2.9	• Heritage tours for locals and students	0.3
• Efficient use of water	2.9		

• Managing encounters with snakes	1.3	• Minimising use of chemicals for cleaning	0.3
• Re-using sailing oil	1.3		
• Planting trees	0.9	• Save the Rhino initiative	0.3
• Minimising water pollution	0.6	• Installing solar power	0.3
• Cleaning of streets and surroundings	0.6		**Sub-total= 15.9**
• Waste awareness	0.3		

SOCIAL DIMENSION			
Education and training:		• Offer school transport	0.3
• Sponsorship for school sports	1.9	• Staff training on rhino poaching	0.3
• Bursaries for matriculants	0.9		
• Sailing and diving for employees	0.6	• Train locals on fire fighting and first aid	0.3
• In-house training	0.6		
• Sponsoring staff children	0.3	• Golf development for juniors	0.3
• Bursary for employees	0.3	• Internship	0.3
• Heritage tour guiding to students	0.3	• Sponsor school	0.3
		• English programme	0.3
			Sub-total: = 7
Donations:		• Experience a stay in the hotel for locals	0.3
• Food	2.3		
• Clothes	0.9	• Fundraise	0.3
• Christmas gifts	0.9	• Blood donation	0.3
• Cash	0.6	• Books	0.3
			Sub-total: = 5.9
Health awareness campaigns:		• Provide funeral policy for staff	0.3
• HIV/AIDS awareness	1.6	• Support mental health institutions	0.3
• Cancer awareness	0.3		**Sub-total: = 2.5**
Employment equity:		• Allow employees to join labour unions	0.3
• Complying with B-BBEE	0.6		
• Leave days	0.3	• Provision of food to staff	0.3
• Annual increase	0.3		**Sub-total: 1.8**
Safety:		• Secure work place	0.3
• Enforcing security	0.6		**Sub-total: = 0.9**

ECONOMIC DIMENSION			
Supporting local projects:		• Build school toilets	0.3
• Use locally made products	1.3	• Paint old-age homes	0.3
• Pay salary for school teacher	0.3	• Small business development	0.3
• Give discount to locals	0.3	• Community-based tours	0.3
• Develop schools	0.3	• Provide free transport to local schools while taking school trips	0.3
			Sub-total: = 3.7
Employment and job creation:		• Employ graduate students	0.6
• Employ local people	0.6		**Sub-total: = 1.8**
• Offer discounts to locals	0.6		
Customer focus:		• Electricity and water usage	0.3
• Offer good service	0.3	• Benchmark with other hotels by making use of Trip Advisor	0.3
• Recruit former mariners	0.3		
• Encourage inclusion of BSR activities	0.3	• Fair Trade membership	0.3
			Sub-total: = 1.8
Facility development and upgrading:		• Build a house for an employee	0.3
• Facility upgrade at schools	0.3	• Build toilets for schools	0.3
• Build a crèche	0.3	• Street cleaning	0.3
			Sub-total: = 1.5

ETHICAL DIMENSION			
Supporting NGOs and trusts:		• Working closely with TCD trust	0.3
• Establish rape counselling	0.3	• Establish animal network	0.3
			0.3

			Sub-total: = 1.5
foundation • Baby project for teen mums	0.3	• Blanket campaign	
Total: = 106			

Table 7.12: Tourism BSR activities' specifications and dimensions

A total of 0.6% of respondents identified compliance with B-BBEE guidelines as *Employment equity*. The remainder (0.3%) indicated the following respectively: leave days, annual increases, allowing employees to join labour unions and the provision of food to staff. Regarding *safety*, 0.6% mentioned the enforcement of security, while 0.3% reported the provision of a secure working place for customers and staff. *Supporting local* **projects** included using locally made products (1.3%) and various other activities reported by 0.3% of the respondents in each instance. *Employment and job creation* was identified in the following areas: local employment, offering discounts to locals and employment of graduate students.

In the *customer focus* category, the respondents identified the tourism BSR activities listed, with 0.3% each stipulating: offering good service to clients, recruiting former mariners, encouraging the inclusion of tourism BSR activities, electricity and water usage awareness, benchmarking with other hotels by using Trip Advisor and becoming Fair Trade members. A total of 0.3% of respondents, respectively, identified facility upgrades at schools, building a crèche, building a house for an employee, building toilets for schools and engaging in street cleaning as *facility development and upgrading* activities. In terms of *supporting NGOs and trusts*, 0.3% each identified supporting a rape counselling foundation and a baby project for teen mums, working closely with the Tourism Community Development (TCD) trust, establishing an animal network and promoting a blanket campaign.

7.3.3 Reasons for Choosing the Tourism BSR Activities Identified

The reasons for tourism businesses' involvement in BSR activities ranged from corporate philanthropy to corporate charitable giving (Fenclova & Coles, 2011). The respondents were asked to provide reasons for performing the identified tourism BSR activities (see Table 7.13). The highest percentage (67.9%) stated that they did

not know, 17.7% mentioned moral considerations and 12.8% identified core business principles. Of the respondents, 8.3% reported a need to implement activities. Some provided examples, such as the improvement of service delivery leading to staff training and natural disasters leading to donations of clothes and food. An additional 4.9% mentioned international pressure, 3% mentioned activities that were easy to implement and activities requested by beneficiaries, respectively, and 2.4% identified staff motivation and awareness as reasons. The remaining reasons are included in Table 7.13.

Reason for choosing the BSR activities identified (Multiple responses permitted) (N = 452, in %)			
Do not know	67.9	Those living close to the business premises	1.2
Moral	17.7	To be recognised globally	1.2
Part of core business	12.8	Business is too small	1.2
When there is a need	8.3	Government regulations	1.2
When there is international pressure	4.9	Safety and security	1.2
Easy to implement	3.0	Promote entrepreneurship	0.6
Request from beneficiaries	3.0	Referrals	0.6
Motivate staff	2.4	Collaboration with other businesses	0.6
Raising awareness	2.4	None	0.6
Affordability	1.2	Promote education	0.6
Total = 132.6			

Table 7.13: Reason for choosing the tourism BSR activities identified

7.3.4 Level of Tourism BSR Impacts on Internal and External Stakeholders

7.3.4.1 Internal Stakeholders

The internal stakeholders' investigation focused on business owners, shareholders, managers and employees (see Table 7.14). The external stakeholders included the customers of the tourism businesses, the local communities and the suppliers to the tourism businesses, as indicated in Table 7.15. A five-point Likert scale was developed and respondents rated their views of the statements provided. The scales

were strongly agree (SA), agree, (A), neutral (N), disagree (D) and strongly disagree (SD).

For improved interpretation, 'strongly agree' and 'agree' were combined and interpreted as 'agree', as was 'strongly disagree' and 'disagree', which were interpreted as 'disagree'. For example, with reference to '*The business encourages its employees to develop their skills and long-term careers*', 82.9% of respondents strongly agreed with the statement and 11.4% agreed. This was interpreted as 94.3% of respondents agreeing with the statement, 3.2% disagreeing and 2.5% being neutral.

Internal market (owners, shareholders, managers and employees). Please indicate your level of agreement or disagreement with the following statements: SA=Strongly Agree, A=Agree, N=Neutral, D=Disagree and SD=Strongly Disagree					
Statements	**SA**	**A**	**N**	**D**	**SD**
The business encourages its employees to develop their skills and long-term careers	82.9	11.4	2.5	1.0	2.2
Any form of discrimination in the business is discouraged	80.5	11.0	4.3	2.5	1.7
Employees are included in important discussions in the business	65.9	18.3	13.0	1.8	1.0
Employees' health, safety and welfare are taken into consideration by the company	78.7	15.4	4.0	1.7	0.2
A work-life balance is provided to employees	68.4	23.2	7.4	0.8	0.2
The business reaps the benefits of loyal customers	65.5	20.6	9.7	2.6	1.6
BSR teaches teamwork skills to employees	73.2	19.0	5.7	1.6	0.5
BSR programmes are initiated and guided by top managers	74.6	13.5	8.7	2.4	0.8

Table 7.14: Level of tourism BSR impacts on internal stakeholders

On the second statement, 91.5% agreed. Moreover, 84.5%, agreed that employees are included in important discussions, while 94.1% agreed that employees' health, safety and welfare are taken into consideration. Most (91.6%) acknowledged that a work-life balance is provided to the internal tourism market. The majority (92.2%) believed that shareholders and owners reap the benefits of loyal customers, and that tourism BSR teaches teamwork skills to the employees. Furthermore, 88.1% of respondents agreed that top managers initiate and guide tourism BSR programmes.

7.3.4.2   External Stakeholders

Table 7.15 displays the findings regarding respondents' views about the effects of BSR on the external markets of their tourism businesses. Close to 100% of the respondents (98.4%) agreed that their businesses ensure honesty and quality in

their contracts, including in providing products to customers and dealing with suppliers. Most respondents (92.3%) agreed that suppliers are paid on time. In terms of displaying a customer complaints box, 82.9% agreed.

A total of 95.5% agreed with the fifth statement, while 90.6% felt that co-operation with other tourism businesses and organisations is encouraged. Additionally, 67.3% agreed that training for local communities is provided, and 49.3% of respondents agreed that dialogues with communities take place regularly. Others (61.6%) felt that employees are encouraged to participate in local community activities, and that local communities were receiving financial support. Tourism BSR was found to be assisting in the recruitment of local community members by 75.1% of respondents.

External market (Customers, suppliers and local communities): SA=Strongly Agree, A=Agree, N=Neutral, D=Disagree and SD=Strongly Disagree					
Statements	SA	A	N	D	SD
The business ensures honesty and quality in its contracts with suppliers and products supplied to customers	87.9	10.5	1.0	-	0.6
The business's products have adequate information	81.9	15.0	2.6	0.5	-
The business pays suppliers on time	83.8	11.1	3.5	1.4	0.2
Customer complaint box is available and clearly displayed	74.4	8.5	7.7	5.0	4.4
The business resolves customer complaints timeously	86.8	8.7	2.8	0.8	0.9
The business encourages co-operation with other businesses and organisations	80.7	9.9	5.6	2.1	1.7
The company provides training for local communities	49.4	17.9	15.1	9.2	8.4
Dialogues with communities takes place regularly	30.5	18.8	29.1	11.4	10.2
The business encourages employees to participate in local community activities	41.9	19.7	22.2	8.1	8.1
Local communities are receiving financial support from the business	38.1	15.7	18.2	15.4	12.6
BSR assists in the recruitment of local community members	61.1	14.0	13.1	5.8	6.0

Table 7.15: Level of tourism BSR impacts on external stakeholders

7.3.5   Distribution of Tourism Businesses Surveyed

Table 7.16 indicates the spatial distribution of the surveyed tourism businesses in the City of Cape Town Municipality (COCT) and Cape Winelands District Municipality (CWDM). The findings show that the surveyed tourism businesses were more concentrated in the COCT Municipality (80.7%). The CWD Municipality contained only 19.3% of these tourism businesses. The Cape Town has the highest percentage of tourism businesses (35.2%), followed by the Victoria and Alfred Waterfront (8.4%). Stellenbosch contained 7.7% of the surveyed tourism businesses, Green Point 6.2% and the remaining areas less than 5%.

Spatial distribution of tourism businesses surveyed (Multiple responses permitted) (N = 452, in %)								
Area & municipality		%	Area & municipality		%	Area & municipality		%
City Centre	COCT	35.2	Newlands	COCT	0.9	Gordon's Bay	COCT	0.4
Waterfront	COCT	8.4	Observatory	COCT	0.9	Westlake	COCT	0.4
Stellenbosch	CWDM	7.7	St James	COCT	0.9	Winelands	CWDM	0.4
Green Point	COCT	6.2	Strand	COCT	0.9	Robertson Valley	CWDM	0.4
Paarl	CWDM	4.2	Blouberg	COCT	0.9	Cape wine farm	CWDM	0.4
Simon's Town	COCT	4.0	Bonnievale	CWDM	0.9	Witzenberg	CWDM	0.2
Franschoek	CWDM	3.3	Camps Bay	COCT	0.9	Granger Bay	COCT	0.2
Gardens	COCT	3.1	Khayelitsha	COCT	0.8	Maitland	COCT	0.2
Claremont	COCT	2.7	Bellville	COCT	0.7	Worcester	CWDM	0.2
Seapoint	COCT	2.7	Wellington	COCT	0.7	Somerset West	COCT	0.2
Bantry Bay	COCT	1.8	Century City	COCT	0.7	Parrow	COCT	0.2
Airport	COCT	1.5	Koo Valley	CWDM	0.7	Plumstead	COCT	0.2
Milnerton	COCT	1.5	COCT	COCT	0.6	Rondebosch	COCT	0.2
Table View	COCT	1.5	Chapman's Peak	COCT	0.4	Constantia	COCT	0.2
Montague	CWDM	0.9	Fish Hoek	COCT	0.4	Crawford	COCT	0.2
COCT TOTAL = 80.7%, CWD TOTAL = 19.3%								

Table 7.16: Distribution of tourism businesses surveyed: Based on fieldwork

7.3.6   Surveyed Tourism BSR Stakeholder Distribution

7.3.6.1   Distribution of Tourism BSR Stakeholders by Province

The investments focus lies mainly where tourist activities are most intense (Cornelissen, 2005). Provinces, towns, suburbs and townships were used to group the locations of the BSR stakeholders of the surveyed tourism businesses to assess this and the results are presented in Table 7.17. The majority (96%) indicated the Western Cape, 69% did not know, 2.1% stated KwaZulu-Natal, and 1.6% reported all nine provinces and Gauteng respectively. The Eastern Cape, Mpumalanga and Northern Cape were identified by 0.5% respectively.

BSR stakeholders' location: Province (Multiple responses permitted) (N = 190, in %)			
Western Cape	96	Limpopo	1.0
Do not know	69	Eastern Cape	0.5
KwaZulu-Natal	2.1	Mpumalanga	0.5
All provinces	1.6	Northern Cape	0.5
Gauteng	1.6		

Tab le 7.17: Distribution of tourism BSR stakeholders by province

7.3.6.2   Distribution of Tourism BSR Stakeholders by Towns and Suburbs

The respondents were asked to indicate the towns and suburbs in which their BSR stakeholders reside. The majority (81%) were unaware, 38% cited Cape Town central business district (CBD) and 7.6% mentioned Stellenbosch. Respondents further identified Simon's Town (4.7%), Paarl, Bellville and Hout Bay (3.8% respectively) and Heldernburg (2.9%). Following this were five areas: Bo-Kaap, Strand, Fish Hoek, Franschhoek, Groot Drakenstein and Claremont with 1.9% each and 1% identified the remaining areas (Table 7.18).

BSR stakeholders' location: Towns and suburbs (Multiple responses permitted) (N = 452, in %)					
Area	**%**	**Name**	**%**	**Area**	**%**
Do not know	81	Fish Hoek	1.9	Hermanus	1.0
Cape Town (CBD)	38	Franschhoek	1.9	Montagu and Ashton	1.0
Stellenbosch	7.6	Groot Drakenstein	1.9	Polokwane and Pietermaritzburg	1.0
Simon's Town	4.7	Claremont	1.9	St James	1.0
Paarl	3.8	Bantry Bay	1.0	Table View	1.0
Bellville	3.8	Malmesbury	1.0	Worcester	1.0
Hout Bay	3.8	Drakenstein	1.0	Pietermaritzburg	1.0
Heldernburg	2.9	Green Point	1.0	Aston	1.0
Bo-Kaap	1.9	George	1.0	Belmont	1.0
Strand	1.9	Kalk Bay	1.0		
Total = 172					

Table 7.18: Distribution of tourism BSR stakeholders by towns and suburbs

7.3.6.3   Distribution of Tourism BSR Stakeholders by Townships

During the apartheid era, most communities now living in the townships were left incapacitated in skills development, land ownership and housing provision. The business representatives were asked to identify their BSR stakeholder locations in these areas (see Table 7.19). Most (80%) did not know, while 26% indicated Khayelitsha. Langa was identified by 15.2%, Mitchell's Plain by 10.9%, Phillipi and Gugulethu by 8.7% each, Dunoon by 6.5% and Noordhoek Township by 4.3%. The remaining areas, namely Delft, Soweto and Nyanga, were identified by 2.1% each.

BSR stakeholders' location: Townships (Multiple responses permitted) (N = 46, in %)			
Do not know	80	Dunoon	6.5
Khayelitsha	26	Noordhoek Township	4.3
Langa	15.2	Delft	2.1
Mitchell's Plain	10.9	Soweto	2.1
Phillipi	8.7	Nyanga	2.1
Gugulethu	8.7		
Total = 166.6			

BSR stakeholders by townships

7.3.6.4   Distribution of Tourism BSR Stakeholders Outside South Africa

A follow-up question was constructed to establish whether the tourism businesses in the province have BSR stakeholders outside the country. The majority (98.7%) were unsure. A percentage (16.6%) indicated other countries, such as the United States and Canada, Europe, universities abroad and some international foundations. African countries followed, with Botswana, Namibia, Zimbabwe and Rwanda having the same percentage (16.6%), respectively (Table 7.20).

BSR stakeholders' location: Outside South Africa (Multiple responses permitted) (N = 6, in %)			
Not sure	98.7	Namibia	16.6
America	16.6	Zimbabwe	16.6
International foundations	16.6	Rwanda	16.6
Botswana	16.6		
Total = 198.3			

ibution of tourism BSR stakeholders outside South Africa

7.3.7   Selection   Process   of   Surveyed   Tourism   BSR Stakeholders

7.3.7.1 Identification of Surveyed Tourism BSR Stakeholders

Ferrell *et al.* (2007) maintain that tourism businesses tend to consider the owners, investors and financial community overall in their daily operations, yet BSR philosophy supports the inclusion of primary stakeholders, customers, communities, the environment and the welfare of employees. The respondents were asked to rank the BSR stakeholders in their tourism businesses. Table 7.21 shows that the highest percentage (34.9%) mentioned employees, 31.9% communities, and 21% were unsure. NGOs were indicated by 13%, schools by 6.2%, animals by 2.2%, customers by 2.1% and tertiary students by 2%. Suppliers were mentioned by 1.8% and local businesses by 0.4%.

Table 7.21: Identification of surveyed tourism BSR stakeholders

Identified stakeholders as BSR beneficiaries (Multiple responses permitted) (N = 452, in %)			
Employees	34.9	Animals	2.2
Communities	31.9	Customers	2.1
Not sure	21.0	Tertiary students	2.0
NGO	13.0	Suppliers	1.8
Schools	6.2	Local businesses	0.4
Community organisations and trusts	3.2		
Total = 118.7			

7.3.7.2 Criteria for Surveyed Tourism BSR Stakeholder Selection

According to Taru and Gukurume (2013), nepotism in the selection and recruitment of BSR stakeholders is one of the challenges tourism businesses face. A follow-up question to the above answers was posed to determine the tourism BSR stakeholders' selection criteria. Almost 60% of the respondents were unsure (see Table 7.22). Twenty-two per cent indicated requests from BSR stakeholders, 10.3% mentioned searching for less privileged individuals, 2.8% selected those aligned to their core businesses, 1.3% did not have criteria, 0.8% mentioned published reports and 0.6% chose those located close to their business premises. Four per cent

reported moral and affordability considerations, while 2% mentioned BSR regulations and referrals from other tourism-related businesses.

Criteria for choosing BSR stakeholders (Multiple responses permitted) (N = 452, in %)			
Not sure	58.6	Identify those located close to the business	0.6
Receive request from stakeholders	22.0	Moral obligation	0.6
Identify less privileged	10.3	Senior managers decides	0.6
When it is part of the core business	2.8	Affordability	0.4
No criteria used	1.3	Government decides	0.4
When the need arises	1.2	The business has regulations to identify stakeholders	0.2
Published reports	0.8	Through other businesses that are in partnership with	0.2
Total = 100			

Table 7.22: Criteria for choosing tourism BSR stakeholders

7.3.8　　Challenges BSR Faces in the Western Cape Tourism Industry

The reliance on foreign aid is a contributing factor that deepens the rooted culture of philanthropy in African countries (Visser, 2006, in Huniche & Pedersen, 2006). An enquiry was made concerning the challenges faced in the implementation of BSR initiatives in tourism businesses. Of the respondents, 69.6% did not know, 10% complained about the recession and 8.4% mentioned budget constraints. Less than 5% identified seasonality, the size of the business, lack of stakeholder commitment and the numerous other factors depicted in Table 7.23.

Challenges faced in the implementation of BSR initiatives (Multiple responses permitted) (N = 452, in %)			
Do not know	69.6	Lack of BSR support from other businesses	0.6
Recession	10.0	Lack of BSR coordination	0.6
Budget constraint	8.4	Lack of BSR support from the government	0.6
Seasonality	2.4	Too much tax on donations	0.2
Business too small	3.0	NGOs lack skills and resources	0.2
Lack of commitment among stakeholders	2.0	Unreliable suppliers	0.2
Time constraint	0.8	Business still new	0.2
Increasing number of stakeholders	0.8	No clear measurements	0.2
Customers not complying with BSR requirements	0.8	BSR not enforced	0.2
Lack of BSR information and awareness	0.8	Ignorance	0.2
Total = 101.08			

Table 7.23: Challenges faced in the implementation of tourism BSR initiatives

7.4 Community Wellbeing in the Tourism Industry

7.4.1 Community Perception of BSR in the Western Cape Tourism Industry

Fig (2005) states that there is a general perception of weak community support from South African tourism businesses. Moreover, there is a significant gap between what South African tourism businesses claim and their practices (King Report I, 2002; Fig, 2005). Three areas (Langa, Gugulethu and Khayelitsha) were selected for identifying the nature of the tourism industry's BSR activities within communities living in informal settlements.

As indicated in Table 7.24, community movements had the greatest support. Additionally, 80% of the respondents were familiar with the concept of BSR. Most relationships that exist between community organisations and tourism businesses are partnerships (46.8%), and communities identified the most common BSR activity as volunteerism (66.7%). Financial constraints were the main challenge, while the Department of Social Works and Department of Corrections were mentioned as important role players.

Community perception of tourism BSR in the Western Cape tourism industry				
Community organisations by area	• Langa • Gugulethu	86.6 6.7	Khayelitsha	6.7
Type of community organisations	• Community movement • Children's shelter • Development forum • Tourism forum	20.1 13.3 13.3 13.3	• Old age home • Orphanage • Educare centre • Home for disabled	13.3 13.3 6.7 6.7
Level of education of community organisations' members	• Secondary completed • Primary completed	66.6 20	• No formal education • Partial primary	6.7 6.7
Familiar with tourism BSR activities	• Yes • No		- -	80 20
Type of relationship with the tourism industry (multiple responses permitted)	• Partnership • Donor	46.8 26.7	Public Private Partnership Not sure	20 6.5
BSR activities received from the industry (multiple responses permitted)	• Receiving volunteers • Education and training • Donations • Employment • Provision of facilities	66.7 53.3 26.7 20 13.2	• Local infrastructure development • Cash • Sponsorship	13.3 - -

Community organisation length of operations	• 10 years • 9 years • 3 years • 26 years	20 20 20 13.3	• Since organisation's inception • 8 years • 7 years	13.3 6.7 6.7
Community organisation length of receiving BSR activities	• 13 years • 9 years	53.2 20	• Since inception • 3 years	13.4 13.4
The continuation of identified BSR activities	• Do not know • Forever • Not sure • Over 100 • About 9 years	39.7 13.4 13.4 6.7 6.7	• 1 year • AGM will determine duration • Do not know	6.7 6.7 6.7
Impacts of BSR initiatives on the organisation	• Not sure • Counselling services improves the lives of children • Able to get a job through capacity building • Do not know • Government intervention	33.3 13.4 13.4 13.1 6.7	• Improved performance of one employee who was given a house • Job creation • Able to focus on the core business without worrying about food	6.7 6.7 6.7
Tourism government departments involve in BSR	• None • Social Development	80 13.3	• Correctional Services	6.7
Tourism businesses' level of involvement in BSR	• Excellent • Good	73.3 13.3	• Average • Poor	6.7 6.7
Reasons for the rating	• Not sure • They preserve and protect the surrounding	60.2 20.1	• They market the organisation to tourists • They encourage community-based tourism	20.1 6.7
The duration for tourism companies engaging in BSR activities (Multiple responses permitted)	• Daily • Monthly	80.0 13.3	• Annually	6.7
Overall perception of community organisations (multiple responses permitted)	• BSR helps in volunteer activities • BSR helps in increasing the tourism business' profits • BSR improves the transfer of knowledge and direct support of education • Donations are important for my community and organisation • Education and training • BSR activities have impacted positively on my community or organisation	60 53.3 53.3 53.3 53.3 46.7	• Many tourism businesses are becoming key providers of aid to civil society • Tourism businesses provide funding for repairs and maintenance of community facilities • Tourism businesses provide entry level employment • Employment opportunities • Provision of facilities • Local infrastructure • Donations • Cash • Sponsorship	46.7 46.7 40 20 13.3 13.3 13.3 - -
Challenges the community organisations face (Multiple responses permitted)	• Financial constraints • Overcrowding • Political instability in the provinces • Community insisting to use and live in the centre due to lack of houses	40.7 20.1 13.4 13.4	• Lack of capacity building • Lack of food • Lack of trust from the adopted children • Lack of ventilation in the buildings	6.7 6.7 6.7 6.7
Solutions to mentioned challenges (multiple responses permitted)	• Big businesses should be involved • The management of organisations should not	20.1 20.1	• Donations for building materials • More funding • Promote private public	6.7 6.7 6.7

	be politicised		partnership
	• Government should intervene	13.3	• Get support from National Lottery	6.7
	• Not responded	13	• Ventilator installation in the building containers	6.7

Table 7.24: Community perception of tourism BSR in the WC tourism industry

7.5   Economic Development and Tourism

7.5.1   Tourism Business Employees' Perception of BSR

There is a strong connection between knowledge and prosperity. It is through knowledge that tourism businesses willingly engage in BSR. Table 7.25 provides the responses of the employees to 'yes' or 'no' statements.

The first statement posits that tourism BSR is a management responsibility. The majority of respondents (91.5%) agreed and 8.5% disagreed. The second statement mentioned that BSR helps increase business profits and 64.5% ticked 'yes'. The majority (94.9%) were of the view that BSR is about moral issues, while only 5.1% thought otherwise. About half (52.2%) believed that BSR measures are unclear and 47.8% believed otherwise. A small number (17.4%) agreed that BSR misuses tourism businesses resources, and 59.3% disagreed that managers and business owners use BSR to advance their personal agendas. The last statement tested whether the respondents felt that BSR frameworks and regulations vary from one country, city, town and company to another. The majority (91.2%) agreed and 8.8% disagreed.

Tourism business interpretation of BSR (N = 452, in %)		
Statements	**Yes**	**No**
BSR is management's responsibility	91.5	8.5
BSR helps increase businesses profits	64.5	35.5
BSR is about moral issues	94.9	5.1
BSR measurements are not clear	52.2	47.8
BSR misuses businesses resources	17.4	82.6
Managers and business owners use BSR to advance their personal agendas	40.7	59.3
BSR frameworks and regulations vary from one country, city, town and company to another	91.2	8.8

Table 7.25: Tourism businesses employees' perceptions of BSR

7.5.2   Workforce Profile by Respondents' Highest Education Level Attained

Skills development is one of the main indicators of tourism BSR because improving the quality of the workforce requires better education (National Planning Commission, 2011). The respondents were requested to indicate the highest education levels attained. As indicated in Table 7.26, the highest percentage (35.8%) completed their secondary certificate, and 32.5% had college certificates or university diplomas. Undergraduates made up 18.4% of the respondents, 4.2% of workers had postgraduate qualifications and 0.7% completed partial primary school education.

Table 7.26: Workforce profile by respondents' highest education level attained

Workforce profile by respondents' highest education level attained (N = 452, in %)			
Secondary completed	35.8	Post graduate	4.2
Tertiary or certificate	32.5	Primary completed	3.1
Undergraduate	18.4	No formal education	1.1
Confidential	4.2	Partial primary	0.7
Total = 100			

7.5.3   The Length of Tourism Business Operation

BSR requires the development of long-term vision (Argandoña, 2010). Moreover, tourism business BSR activities vary according to businesses' duration of operation. Table 7.27 presents the length of operation of the tourism businesses surveyed. Of these businesses, 21.5% had been operating for 6 to 10 years, 21.1% for 16 to 20 years, 16.5% for 11 to 15 years, and 14.7% for 1 to 5 years. Respondents could not provide an answer in 8.9% of cases.

Tourism business period of operation (N = 452, in %)			
6 – 10 years	21.5	21 – 30 years	4.5

16 – 20 years	21.1	60>	3.0
11 – 15 years	16.5	31 – 40 years	2.9
1 – 5 years	14.7	51 – 60 years	1.4
Do not know	8.9	41 – 50 years	0.6
Less than a year	4.5	Confidential	0.4
Total = 100			

Tour ism businesses' periods of operation

7.5.4   Duration of Tourism BSR Programmes

Time affects the levels of knowledge and expertise communities and employees accumulate, including their ability to develop and promote tourism (Scott, 2011). Approximately half of the respondents (54.3%) knew nothing about the duration of their businesses' BSR implementation programmes, with 18.9% indicating 3 to 5 years and 10.7% indicating 6 to 10 years. Another 6.4% stated that BSR programmes have been running since the business was established, 4.2% mentioned 11 to 15 years, 4.1% mentioned more than 16 to 20 years, and the remaining 0.4% indicated 51 years or more. Some 0.4% indicted once-off activity; thus, this activity never occurred again (Table 7.28).

Length of period business engages in BSR activities (N = 452, in %)			
Do not know	54.3	16 - 20 years	4.1
3 - 5 years	18.9	51> years	0.4
6 - 10 years	10.7	None	0.4
Since the business was established	6.4	Once off	0.4
11 - 15 years	4.2	41 - 50 years	0.2
Total = 100			

Leng th of period tourism business engages in BSR activities

7.5.5 Respondents' Role in the Implementation of Tourism BSR

The respondents were requested to provide details regarding their involvement in the implementation of BSR in their establishments. The results are illustrated in Table 7.29. The highest number (39.7%) mentioned BSR administration, which included booking venues for training, arranging meetings, approving funds for donations and arranging community-based tours for clients. Of the respondents, 34.7% had no direct involvement, 22.7% indicated participating in internal and external BSR committees and community trusts, and 6.1% indicated management activities, such as supervision, planning and organisation for charity events. In addition, 5.3% mentioned volunteerism in recycling, donation of clothes and cleaning, and 3.1% initiated BSR activities. Furthermore, 1.4% identified training and the handing out of donations, while 1.2% was involved in the selection and organisation of BSR activities and 0.4% mentioned budgeting, awareness raising and BSR support events.

Respondents' role in BSR implementation (Multiple responses permitted) (N = 452, in %)			
Administration	39.7	Organise BSR events	0.8
No direct involvement	34.7	Budgeting	0.4
Participating in BSR committee and trust	22.7	Raising awareness	0.4
Manage BSR activities	6.1	Supporting BSR events	0.4
Volunteer	5.3	Confidential	0.4
Initiate BSR activities	3.1	Facilitate	0.2
Maintaining communication	1.6	Attend BSR meetings	0.2
Implementation of BSR	1.4		
Selecting of BSR activities	1.2		
Total = 118.6			

Table 7.29: Respondents' role in tourism BSR implementation

7.5.6 Surveyed Tourism Businesses' Monitoring of Tourism BSR Activities

The Companies Act of 2008 encourages businesses to elect a social and ethics committee responsible for the monitoring and reporting of BSR activities (Juggernath, *et al.,* 2011). The Act is not being strongly enforced yet. Therefore, the surveyed tourism businesses were asked to indicate their BSR evaluation criteria for

monitoring BSR implementation. The majority (79.4%) (as indicated in Table 7.30) did not know, 10.9% mentioned ongoing communication, 2.4% indicated site visits and 1.4% stated observation of a positive effect on stakeholders' lifestyles, while 1.3% mentioned assessment through research. An additional 1% mentioned active involvement, while 0.8% each indicated performance-based assessment and observing market performance. The remaining respondents identified success stories, project reviews, the User Reader system, E-guest, environmental scanning, comparison with competitors and having achieved public recognition as criteria.

Monitoring of identified BSR activities (Multiple responses permitted) N = 452, in %)			
Do not know	79.4	Ongoing monitoring	0.4
Ongoing communications	10.9	Success stories	0.4
Site visit	2.4	Project reviews	0.2
A positive effect on stakeholders	1.4	Reader system	0.2
Assessment through research	1.3	E-guest	0.2
Involved in the implementation of BSR activities	1.0	Environmental scanning	0.2
Performance-based assessment (If there is improvement)	0.8	Comparison with competitors	0.2
Market performance	0.8	Achieved public recognition	0.2
Total = 100			

Table 7.30: Monitoring of identified tourism BSR activities

7.5.7   BSR Reporting Mechanisms in the Surveyed Tourism Businesses

7.5.7.1   Duration of Tourism BSR Reporting

Although a significant number of works has been published about the involvement of the tourism industry in BSR, there is lack of consistency of BSR performance and reporting due to different measurement frameworks and reporting structures, and lack of capacity (Cowper-Smith & De Grosbois, 2011). The respondents were asked to indicate how often their businesses report their BSR activities to the government. Based on the findings, 41% stated annually, while 34.8% reported quarterly and

21.4% monthly. Other periods, such as weekly and daily, were reported by 6.3% of respondents. The remaining 2.9% did not know (Table 7.31).

The reporting of BSR activities (Multiple responses permitted) (N = 452, in %)			
Annually	41.0%	Other	6.3%
Quarterly	34.8%	Do not know	2.9%
Monthly	21.4%		
Total = 106.4			

7.5.7.2   Identified Government Departments for Tourism BSR Reporting

Asamoah (2013) is of the view that governments should not only provide information but should also allocate financial resources to monitor economic, environmental and social indicators of tourism business operations. The respondents were asked to identify the government department(s) to which they report their tourism BSR activities. Table 7.32 summarises the results.

A total of 35% were unsure, 17.7% mentioned the Health Department and 12.9% indicated the Social Welfare Department. The Department of Environmental Affairs was mentioned by 11.4%, 10% reported to the Tourism Department, and 7.1% identified the Arts and Culture, Education and Social Services departments respectively. Although the Western Cape Golf Club Union is not a government department, it was also mentioned by 4.4% of the respondents. The Department of Economic Development and Tourism, and Labour departments were named by 4.3% and 4.2% indicated the Department of Social Development. Cape Town Tourism was named by 2.8% and numerous other departments were mentioned by 1.4% of respondents each.

Name of government department to which the business reports its BSR activities (N = 70, in %)					
Not sure	35	Department of Economic Development and Tourism (WCP)	4.3	Correctional Department	1.4
Department of Health	17.1	Department of Labour	4.3	Wesgro	1.4
Department of Social Welfare	12.9	Social Department	4.2	Department of Justice	1.4
Department of Environment	11.4	Cape Town Tourism	2.8	Department of Safety	1.4

				and Security	
Department of Tourism	10	Heritage Department	1.4	Department of Agriculture	1.4
Department of Education	7.1	South African Police Service	1.4	Department of Trade and Industry	1.4
Department of Arts and Culture	7.1	Sports and Recreation Department	1.4	Transport Department	1.4
Department of Social Services	7.1	Tourism Enterprise Programme	1.4		
Western Cape Golf Club Union	4.4	Waste Management	1.4		
Total = 144.5					

Table 7.32: Identified government departments for tourism BSR reporting

7.6 Employment Quality in the Tourism Industry

7.6.1 Workforce Profile by Racial Category

The respondents indicated the results shown in Figure 7.3. The highest percentage of employees (52.6%) could not provide the information requested. The remaining respondents indicated that Black workers accounted for 21.5%, Coloured workers for 18.6%, White workers for 18.1% and Indian workers for 4.4%.
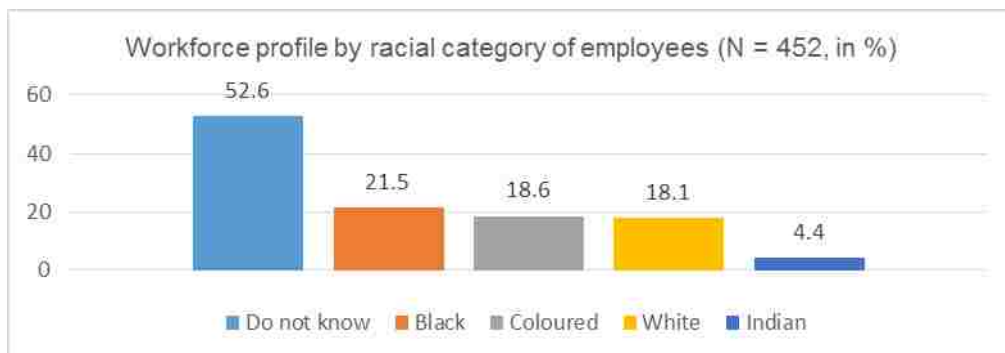
Figure 7.3: Workforce profile by racial category of tourism employees

7.6.2 Workforce Profile by Gender Category

According to the draft international standard ISO/DIS 26000 (2010), gender stereotyping should always be avoided. The respondents were asked to disclose the gender of employees, as indicated in Table 7.33. It was found that 34.1% did not have the information at hand. The remaining respondents indicated that 33.2% of workers were female and 32.7% male.

Gender category of employees (N = 452, in %)

Do not know	34.1	Female		33.2	Male		32.7
Total = 100							

Table 7.33: Workforce profile by gender category of tourism employees

7.6.3 Workforce Profile by Respondents' Job Levels

The workforce profile is an important indicator of BSR status in tourism businesses (Dzansi & Pretorius, 2009). This aspect of the employee situation was also investigated in the study. It was found that more than half of the employees surveyed (52.3%) were general employees, 26.7% were middle managers, 13.5% senior managers and 3.6% lower managers. The remainder of the respondents (2.4%) were unwilling to disclose their positions, 1.5% represented owners (Table 7.34).

Workforce profile by respondents' job levels (N = 452, in %)			
General employees	52.3	Lower mangers	3.6
Middle managers	26.7	Confidential	2.4
Senior managers	13.5	Owner	1.5
Total = 100			

Table 7.34: Workforce profile by respondents' job levels

7.6.4 Workforce Profile by Respondents' Racial Categories

The respondents were requested to provide information regarding their racial categories to validate the information provided in Figure 7.4. The findings showed that the highest percentage of the workforce was White (41.5%), 35.6% was Coloured and 13. 4% was Black, which included Africans (6.3%) and Indians (3.2%), (Figure 7.4).
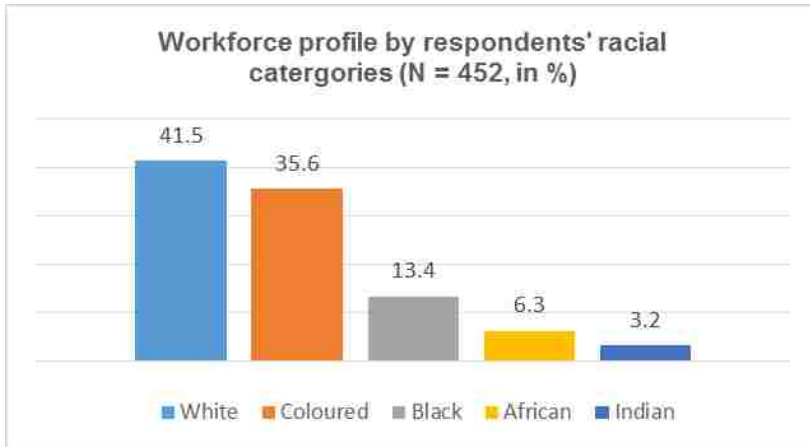
Figure 7.4: Workforce profile by respondents' racial categories

7.6.5 Workforce Profile of Respondents' Employment Status

The tourism industry is affected by seasonality, resulting in many employees being employed on part-time bases. Part-time jobs are not sustainable and lack employee benefits. The respondents were asked to state their employment status. The majority of respondents (95.6%) were employed full time, with only 3.9% working part time and 0.5% being student employees (Figure 7.5).

Figure 7.5: Workforce profile by respondents' employment status
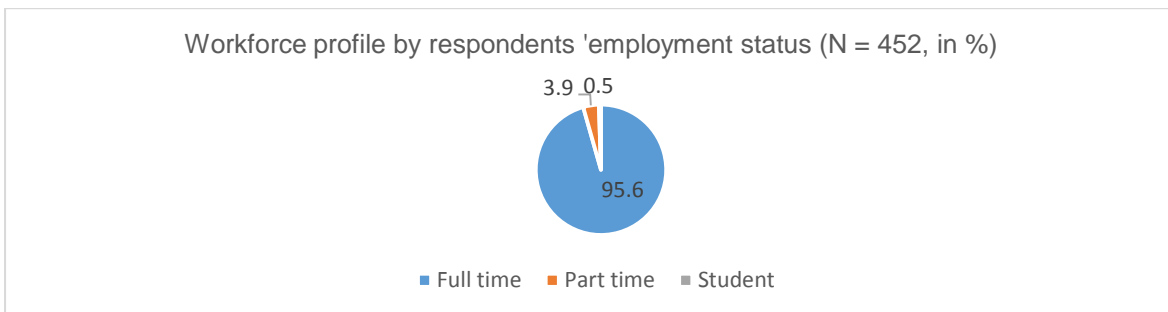
7.6.6 Workforce Profile by Respondents' Age Range

A third of the Western Cape population aged between 15 and 65 years is not economically active (Statistics South Africa, 2004). Table 7.35 shows that 44.7% fell in the 21 to 30 year age bracket, 34.1% in the 31 to 40 age bracket and 13.1% in the 41 to 50 bracket. In addition, 0.5% were 70 years old and older.

Workforce profile by respondents' age range (N = 452, in %)			
Age	%	Age	%
21 – 30	44.7	61 – 70	1.8
31 – 40	34.1	18 – 20	1.1
41 – 50	13.1	70>	0.5
50 – 60	4.7		
Total = 100			

7.7   Competitiveness in Tourism BSR Implementation

7.7.1   The Total Amounts Invested in Tourism BSR Activities

On enquiring about the annual returns the tourism businesses invested in BSR activities, most (88.4%) did not know and 2.9% felt that this information was confidential. Moreover, most of those surveyed were general employees who were not involved in financial aspects of the business. A total of 2.7% stated none, while 2.6% mentioned between R1 and R5 000. Between R11 000 and R20 000 was indicated by 1.6%, while R31 000 to R40 000, R51 000 to R100 000 and R101 000 to R200 000 were identified by 0.4% of the respondents respectively. In addition, 0.2% reported an amount between R6 000 and R10 000, R501 000 and R1 000 000 and more than R1 000 0000 respectively (Table 7.36).

Table 7.36: Total amount invested in tourism BSR activities

Annual returns invested in tourism BSR activities (N = 452, in %)			
Do not know	88.4	R51 000 – R100 000	0.4
Confidential	2.9	R101 000 – R200 000	0.4
None	2.7	R6 000 – R10 000	0.2
R1 - R5 000	2.6	R501 000 – R1 000 000	0.2
R11 000 – R20 000	1.6	R1 000 0000 >	0.2
R31 000 – R40 000	0.4		
Total = 100			

7.7.2   Estimated Monetary Value of Tourism BSR Initiatives

Tourism businesses should not act beyond their capabilities because BSR could be an expensive exercise if not carefully planned (Argandoña, 2010). See Table 7.37, the estimated monetary value of the businesses' BSR initiatives. The majority of respondents (86.3%) did not know how much they would spend on BSR initiatives if these initiatives could be converted to cash. Of the business representatives, 7.9% refused to disclose the information and 4.2% said they did not have information about the estimated monetary values of their BSR programmes. The amounts stated by the respondents were as follows: R1 001 to R5 000 by 0.6%, R5 001 to R50 000 by 0.4% and R500 to R1 000, R50 001 to R100 000 and R100 000 or more by 0.2%.

Estimated monetary value of tourism BSR initiatives for the past 3-5 years (N = 452, in %)			
Do not know	86.3	R5 001 – R50 000	0.4
Confidential	7.9	R500 – R1 000	0.2
None	4.2	R50 001 – R100 000	0.2
R1 001 – R5 000	0.6	R100 000 >	0.2
Total = 100			

Table 7.37: Estimated monetary values of tourism BSR initiatives

7.7.3   The Allocation of the BSR Function in the Surveyed Tourism Businesses

BSR is incorporated in human resources or marketing departments and falls to relatively untrained, junior and inexperienced staff. Table 7.38 indicates that the highest percentage (38.2%) represents front office departments and that 16.2% of respondents did not want to reveal the departments concerned. General management departments were identified by 15.7% of respondents and sales and marketing departments by 10.6%. Less than 10% of the respondents indicated other departments, as shown in Table 7.38. These included public accounting, retail and corporate affairs, the director's and head offices, as well as the diving department.

The allocation of BSR functions within the tourism business (N = 452, in %)					
Front office	38.2	Finance	0.6	Directors' office	0.2
Confidential	16.2	Human resources	0.6	Diving department	0.2
General management	15.7	Guest relations	0.6	Head office	0.2
Sales and marketing	10.6	Chief executive's office	0.6	Information technology	0.2
Food and beverage	4.3	Cooperated social, investment	0.6	Kitchen	0.2
Housekeeping	2.2	Tour guiding	0.6	Leisure	0.2
No department	1.5	Accounting	0.4	Providing and designing	0.2
Public relations	1.5	Concierge	0.4	Rental	0.2
Administration	0.8	Retail	0.4	Transport	0.2
Booking	0.8	Conference and events	0.4	Back office	0.2
Operation	0.6	Corporate affairs	0.2	Cleaning and maintenance	0.2
Total = 100					

Table 7.38: The allocation of BSR functions within the tourism businesses

7.7.4   The Driving Forces of Surveyed Tourism BSR Activities

Dzansi and Pretorious (2009) argue that the driving forces behind BSR are crucial because they influence the choice of BSR activities and the priority given to business stakeholders. The respondents were therefore required to explain the motivation behind their BSR activities. Table 7.39 shows that more than half (55.4%) traced the motivation to their businesses' core values, followed by moral pressure factors (23.5%). Core competencies of their businesses accounted for 18.8% of the responses, while 6.6% indicated an alignment of their BSR with competitors' activities.

Driving forces of tourism BSR activities (Multiple response permitted) (N = 452, in %)			
In connection with the firm's core values	55.4	Competitors 'activities	6.6
In response to moral pressure	23.5	By setting clear objectives and measurements	5.8
In connection to the core competencies of the firm	18.8	Do not know	2.3
Total = 112.3			

Table 7.39: The driving forces of tourism BSR activities

7.8   Local Control and Sustainability

7.8.1   Alignment of Tourism BSR Activities with Western Cape Regulations

The respondents were asked if their businesses' BSR activities were aligned with the province's BSR regulations and to clarify their answers. Table 7.40 shows that the majority (80.2%) did not know, while 15% were unsure. Of the remaining respondents, 4.1% mentioned B-BBEE and 0.7% cited participation in the Eskom Awards.

Table 7.40: Tourism BSR activities that are aligned with the Western Cape's

Indicating BSR activities that are aligned with the Western Cape Province's BSR regulations (N = 147, in %)			
Do not know	80.2	B-BBEE	4.1
Not sure	15	Awards for good contribution from Eskom	0.7
Total = 100			

regulations and standards

7.8.2   Government's Involvement in Western Cape Tourism BSR

During the apartheid era, the South African public and private spheres functioned separately (Fig, 2005). However, this has changed since the first democratic elections in 1994. Various government tourism departments and agencies were surveyed as key informants of the study. The results show that the Western Cape tourism departments and marketing agencies equally support BSR (20% each) by implementing business support initiatives, supporting tourism events, selecting one NGO to support every year and hosting awareness workshops for promoting responsible tourism. The tourism businesses that receive the most support are accommodation establishments (75%), followed by car rental (40%), while accommodation, 80% and attractions, 66.7% were the most tourism business supporting BSR activities (Table 7.41).

Moreover, the results show that government departments ensured the sustainability of BSR by aligning it with existing government functions (60%). Research funding is the main incentive identified by 60% of respondents. In addition, 50% of respondents hold multi-stakeholder dialogues quarterly or annually; 80% of respondents discussed environmental issues at these meetings. However, between the relevant surveyed tourism departments and agencies, it was found that there were no measurements used to evaluate the successes of BSR implementation by tourism businesses.

Government's involvement in Western Cape tourism BSR (N = 5)				
Western Cape tourism government departments and agencies	• Province: Economic Development & Tourism • COCT: Tourism Development	20 40	• Cape Winelands District Municipality • Cape Town Tourism	20 20
Department promotes BSR	• Yes	60	• No	40
Ways to support BSR ideas (Multiple responses permitted)	• Implementing business support initiatives • Supporting tourism events (R30 000)	20 20	• Selection of one NGO once a year and supporting it • Hosting awareness workshop • Initiated Responsible Tourism	20 20 20
Dissemination of BSR	• Yes	60	• No	40
Ways of disseminating BSR ideas	• Labelling • Toolkits • Campaign	- 60 20	• Guidelines • Naming poor performance	20 -
Type of tourism businesses that support BSR (Multiple responses permitted)	• Accommodation • Attractions • Car rental agencies	80 66.7 60	• Travel agencies • Tour operators • Airlines	40 20 20
Total number of tourism businesses supported (Multiple responses permitted)	• Accommodation • Car rental agencies • Attractions	75 40 20	• Tour operators • Airlines • Travel agencies	20 - -
Types of incentives provided to identified tourism businesses to ensure sustainable BSR development (Multiple responses permitted)	• Provide funding for research • Building capacity for SMMEs • Training and skills development	60 40 40	• Award schemes • Inclusion of information and reports on website • Sponsorship guidelines that support BSR	- - 20

	• Tax exemptions	20		
Enforcing partnership with the tourism industry	• Do not know • Facilitator • Moderator • Initiator	60 - - -	• Charter to commit to responsible tourism signed by FEDHASA, SATSA, SAACI, CTT, COCT • Through implementation of agreed intervention on SLA/MOU	20 20
Ensuring competency in the implementation of the BSR (Multiple responses permitted)	• Aligning BSR within the existing government function • Do not know • Encouraging big businesses to mentor small ones	60 40 20	• Appointment of a lead government agency • Establishing a newly government function	- -
Occurrences of multi-stakeholder dialogues (Multiple responses permitted)	• Every quarter • Annually • Depend on the project	50 50 20	• Every semester • Every five year	- -
Issues that are normally discussed in your various multi-stakeholder dialogues (Multiple responses permitted)	• Environment • Poverty reduction • Infrastructure	80 40 40	• Education • Corruption issues • Safety • Access to health services	40 20 20 -
Mobilise financial resources for BSR	• No	100		
Other resources provided to the industry to promote BSR	• Access to information • None	20 20	• Provision of toolkits and awareness workshop • Marketing platform • N/A	20 20 20
Implementation of soft law (non- regulatory) intervention	• N/A • UN Global Compact • Responsible investment	60 - 20	• OECD Guidelines for Multinational Enterprise • Responsible tourism policy	- 20
Guidelines for BSR reporting exists	• Yes • No	80 20		
Details on BSR reporting guidelines	• N/A • Local government tool kits provide it	80 20		
Tourism industry BSR reporting procedure	• No current reporting procedures • Do not know	40 20	• Report annually • Through project indicators	20 20
BSR is included in the government department or agency's procurement policy	• Yes • No	60 40		
Sanctions imposed on the tourism businesses that do not comply with BSR policies	• None	100		
BSR activities that the government department or agency supported	• B-BBEE • Community forum • International tourism week	20 20 20	• Tourism Community Trust • None	20 20
Government's expectations of successful BSR implementation	• Comply with the policies and guidelines and full commitment • Mentor emerging	20 20	• Clear BSR expectations • Provide practical implementation workshop, tax breaks, financial incentives	20 20

				Commit and start small	20
Evaluating the impact of tourism industry BSR implementation	• No measurement	80	• Monitoring industry growth against set targets and statistics		20
Challenges of implementing BSR	• Financial challenges • Lack of information and commitment • Bureaucracy, red tape	20 20 20	• Government can only encourage businesses to adapt • To continue business investment		20 20
Solutions to the mentioned BSR challenges	• Clear guidelines and policy from government • Government incentives	20 20	• Communication and dialogue • Working closely with all stakeholders • None		20 20 20
Relevant department/section responsible for BSR implementation	• None • Industry services • Destination development	60 20 20			

Table 7.41: Government's involvement in Western Cape tourism BSR

7.8.3 Non-Compliance with Tourism BSR Regulations and Standards

In investigating the causes of tourism businesses' non-compliance with BSR regulations and standards, the results set out in Table 7.42 indicate that the majority of respondents (75.1%) could not provide reasons and that 8.3% blamed a lack of information. Some respondents (5.2% respectively) further mentioned that their businesses are too small and there is a lack of awareness, and 4.2% of respondents reported the problem of ignorance. The remaining 1% argued that BSR is not part of their core businesses, while blaming the economic recession as well.

Table 7.42: Reasons for non-compliance with tourism BSR regulations and

The reasons for not complying with BSR regulations (Multiple responses permitted) (N = 96, in %)			
Do not know	75.1	Ignorant	4.2
Lack of information	8.3	Not core of the business	1.0
Business too small	5.2	Recession	1.0
Lack of awareness	5.2		
Total = 100			

standards

7.8.4 Self-Regulation and Enforcement of Tourism BSR Initiatives

According Dzansi and Pretorious (2009), there are no research frameworks and policies to drive BSR in Africa. The study further investigated the opinions of the employees surveyed regarding the enforcement of BSR regulations. In this case, 59.8% of respondents preferred the self-regulation of BSR activities, 19% did not know and 18.9% opted for government enforcement. Few (2.3%) preferred self-regulation and enforcement as seen in Table 7.43.

Table 7.43: Enforcement or self-regulation of tourism BSR initiatives

Table 6.55: Enforcement or self-regulation of BSR initiatives			
Self-regulated	59.8	Enforced	18.9
Do not know	19.0	Both	2.3
Total = 100			

7.8.5 Reasons for Tourism BSR Self-Regulation or Enforcement

The respondents were asked to explain the reasons for preferring the BSR self-regulation process (Table 7.44). The highest percentage of respondents (43.9%) stated that giving should come from one's heart, 36% did not know and 6.4% said the government should provide only support because it has too many obligations. An additional 5.3% of the respondents stated that self-regulation promotes ownership, which encourages more involvement, and 3.4% felt that businesses give for different purposes and values vary. More reasons provided include: there are already many existing regulations, not every tourism business can afford BSR implementation, many businesses would not implement BSR correctly if forced, other businesses are already implementing BSR, the primary role of a business is to make profit,

government might be too harsh on businesses and that businesses are already forced to pay tax.

Self-regulation of BSR activities (Multiple responses permitted) (N = 281, in %)			
Giving should come from the heart	43.9	Not every business can afford BSR implementation	2.7
Do not know	36	Businesses may not implement BSR correctly if forced	1.1
Government has too many obligations, it should only support BSR	6.4	A lot of business are already implementing BSR	0.7
It encourages businesses to be involved, it gives ownership	5.3	Business's primary goal is to make profit	0.4
Businesses' values vary	3.4	Government might be too harsh on businesses	0.4
Too many regulations already exist in SA	2.8	Businesses are already paying tax	0.4
Total = 103.5			

Table 7.44: Reasons for self-regulation of tourism BSR

7.8.6 Tourism BSR Enforcement

Table 7.45 shows that 50% of respondents felt that all tourism businesses must give back to society, 36% did not know and 13.5% believed that if BSR regulations were enforced, everybody would comply with them. Of the respondents, 2.1% each stated that the government should control the BSR process and that tourism businesses should be forced to comply because they use communities' resources. Other reasons highlighted included that tourism businesses make a lot of money and therefore need to give back to the community, that the enforcement of BSR should be used for fostering development, and that not everybody is aware of BSR.

Enforcement of BSR activities (Multiple responses permitted) (N = 96, in %)			
All businesses must give back	50	Businesses make use of community resources	2.1
Do not know	36	Businesses make a lot of money	1.4
Everybody will comply with the regulations	13.5	To foster development	1.0
Government should control the process	2.1	Not everybody is aware of BSR	1.0
Total = 107.1			

Table 7.45: Reasons for the enforcement of tourism BSR

7.8.7 Improving the Implementation of and Compliance with BSR Regulations

With respect to the findings illustrated in Table 7.46, more than half of the respondents (57.2%) had no suggestions. A total of 30% mentioned greater continuity in BSR implementation, such as school donations, education and employment. According to 2.9%, BSR implementation should be expanded to areas outside those from which tourism businesses operate, 1.4% called for greater commitment from stakeholders, including small tourism businesses, and 1.0% suggested proper planning and collaboration between tourism businesses.

Other respondents stated that:

- The government must lead the implementation of BSR;

- There is a lack of communication about and co-ordination of BSR activities;

- The government should compile a list of NGOs and their needs;

- All employees should fully participate in BSR activities;

- There is a need for improved research and awards systems;

- The government must identify an organisation responsible for collecting and recording data regarding BSR initiatives;

- Stakeholders should be encouraged to identify BSR projects;

- Conservation schemes should be encouraged; and

- Tourism businesses and social workers should co-operate closely.

Suggestions for improving BSR activities (Multiple responses permitted) (N = 452, in %)			
Do not know	57.2	Encourage full participation from all employees	0.2
Continue with BSR activities (donations to schools and child welfare organisations, education and training, employment)	34.5	More research on communities' needs	0.2
Expand to other areas	2.9	Improve staff awards system	0.2
Encourage more commitment from stakeholders including small businesses	1.4	Identify an organisation that can receive BSR funding	0.2
Encourage proper planning and collaboration among businesses	1.0	Encourage stakeholders to identify their own projects	0.2
Government should take over the implementation of BSR	0.8	Encourage conservation schemes	0.2
More communication and co-ordination of BSR activities	0.6	Work closely with social workers	0.2
Government should compile a database of NGOs and their needs	0 4		

Total = 100	

Table 7.46: Suggestions for improving tourism BSR activities

7.9 Chapter Summary

Chapter Seven features a presentation of the findings of the study that represents the first phase. The information constitutes the raw materials for the following chapter, where the researcher presents the findings in forms based on the relationships between the issues discussed. The next chapter provides a more detailed descriptive analysis of the findings presented in this chapter.

Chapter Eight

Quantitative Presentation of the Findings

8.1   Introduction

The primary aim of this research was to assess the extent to which tourism BSR activities contribute towards empowerment, poverty alleviation, reduction of unemployment and inequality. The spatial distribution, size, nature and impact of tourism BSR activities in the Western Cape Province and their supporting explanatory or unobserved mechanisms were then assessed. Chapter Seven provided a detailed qualitative data of the study in relation to its main aim. The current chapter presents the quantitative findings.

In order to investigate the themes of the study, the seven tourism aims and roles were adapted from Scott (2011) and Nyakunu and Rogerson (2014). Out of the seven themes created, Theme Two, social equity and pro-poor tourism, was found appropriate for quantitative analysis. The researcher focused on the degree of the effects of the surveyed tourism businesses' BSR activities on internal and external tourism business stakeholders, which was suitable for this chapter because the Likert scale used in the questionnaire measured the extent of BSR activities. Furthermore, the King Report III (2009) identifies the four ethical business considerations for South Africa that the researcher used to determine and explain the degree of social responsibility according to the given Likert scale statements on the selected factors, namely, Accountability, Responsibility, Fairness and Transparency. The relationship between these factors and variables, such as awareness, compliance, race, level of education and tourism business ownership, was established through factor analysis. The researcher elaborates on the factor and regression analyses in this chapter.

8.2   Factor Analysis: Analysis of Variances for Tourism BSR Implementation

Factor analysis is a technique used to determine the factors that show the correlation between certain sets of variables and identify underlying factors (Baggio & Klobas,

2011). Researchers use this statistical method to describe inconsistencies between observed variables in terms of fewer unobserved variables called constructs. There are two types of factor analysis: exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). According to Baggio and Klobas (2011), EFA is used to identify underlying factors, while CFA is applicable in the confirmation of a proposed or hypothesised factor structure. In this study, only EFA was used to identify the hidden or underlying constructs or dimensions that may or may not be apparent from direct analysis.

Turker and MacCallum (1997) contend that the first step in factor analysis is to determine the domain and population. In the current study, tourism business impacts were identified as the domain in which n = 412, representing the population of entities that consist of employees, managers and owners. The researcher considered 412 because the population entity consisted of a large number that allowed each variable to be measured. The variables to be measured were selected from the domain and are called surface attributes.

8.2.1 Application of Tourism BSR Factors and Exploratory Factor Analysis

To determine the number of factors, the statements used referred to the influence of BSR application on both the internal and external tourism business stakeholders. Some of the factors derived from eight statements (questions B.1.1 to B1.8), and other factors were determined from eleven additional statements (questions B.3.1 to B.3.11). The EFA yielded four factors from the items and statements under consideration.

8.2.2 Number of Tourism BSR and Exploratory Factor Analysis Techniques

The following EFA techniques were applied to determine the number of factors: First, the researcher determined the cumulative percentage, which was described by the factors > 60%. Determining the Eigen value (also known as the Kaiser Guttman rule) was the second technique. The Eigen value was identified as > 1 in relation to the

eight tourism BSR statements used (Figure 8.1). Figure 8.2 indicates the Eigen value for the eleven tourism BSR statements used, and the output shows 55.89% cumulative variance, which is explained by two factors, respectively. Because these two factors have Eigen values larger than 1, the items/statements could be reduced to two factors. These factors were used for the rotation.
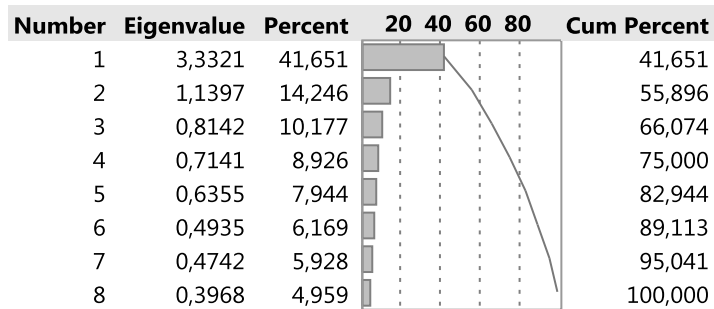
Number	Eigenvalue	Percent	20 40 60 80	Cum Percent
1	3,3321	41,651		41,651
2	1,1397	14,246		55,896
3	0,8142	10,177		66,074
4	0,7141	8,926		75,000
5	0,6355	7,944		82,944
6	0,4935	6,169		89,113
7	0,4742	5,928		95,041
8	0,3968	4,959		100,000

Figure 8.1: Eigenvalues for eight identified tourism BSR statements

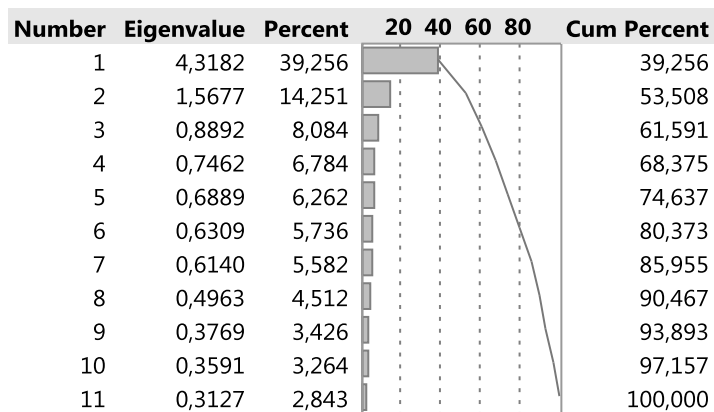| Number	Eigenvalue	Percent	20 40 60 80	Cum Percent
1	4,3182	39,256		39,256
2	1,5677	14,251		53,508
3	0,8892	8,084		61,591
4	0,7462	6,784		68,375
5	0,6889	6,262		74,637
6	0,6309	5,736		80,373
7	0,6140	5,582		85,955
8	0,4963	4,512		90,467
9	0,3769	3,426		93,893
10	0,3591	3,264		97,157
11	0,3127	2,843		100,000

Figure 8.2: Eigenvalues for eleven identified tourism BSR statements

The Scree plot was the third criterion used; the researcher observed a significant decline in the plot. In addition, the researcher further reduced the numerous variables using the principal component factor (PCF), which was applied with varimax rotation in terms of eight Likert scale statements (testing internal stakeholder impacts) and eleven Likert scale statements (testing external stakeholder impacts). Bartlett's sphericity test was also carried out to determine whether it was useful to conduct the factor analysis to investigate, for example, whether the correlation

structure between the individual variables in the factor analysis was too weak. In such a case, the application of factor analysis would not have been meaningful.

8.2.3 Adoption of KMO and MSA Rules to Screen Best Fit Tourism BSR Variables

Variables were selected for inclusion in the final solution. From the inter-correlated variables, some variables should commonly be discarded if they are not sufficiently correlated with any other variables in the data set and if they correlate with several other variables that load to different factors (Baggio & Klobas, 2011). Furthermore, variables could be discarded if they are collinear or strongly correlated, for example, if variables have correlations of 0.8 or 0.9 with one or more other variables.

Two types of rules were used to screen the variables in the study: Kiser-Meyer-Olkin (KMO) and measure of sampling adequacy (MSA). The KMO value provided a measure of the appropriateness of conducting a factor analysis and ranges from 0 to 1, with 0.5 as the cut-off point to conduct the factor analysis. This allowed the items and statements to be reduced to two factors. These two factors were subsequently used for the rotation. This enabled the construction of the correlation matrix, which assisted in identifying the nature of the variables and the correlation between them. The correlation results could be negative or positive. The factor loadings above 0.40 were significant and are interpreted in the results. The principal component analysis was applied to the responses to questions B.1.1 to B1.8 and B.3.1 to B.3.11 of the questionnaire, and the principal component method was used to extract the components. This was followed by a varimax (orthogonal) rotation. Only the first two components exhibited Eigen values greater than or near 1. The results of a screen test further suggested that only the first two values were significant or meaningful. Therefore, these two components were retained for the rotation process. Combined they accounted for 55.89% of the total variance.

The questionnaire items and the corresponding factor loadings are presented in tables 8.1 and 8.2. In interpreting the rotated factor pattern, an item was said to affect a given component if the factor loading was 0.40 or greater for that component, and less than 0.40 for the other. Using these criteria, four items were

found to affect the second component, which was subsequently labelled 'Responsibility' (Factor 2). Four items weighed on the first component and were labelled 'Accountability' (Factor 1) (refer to Annexure 'D').

Rotated factor loading Item	Factor 1	Factor 2
B.1.1. The company encourages its employees to develop their skills and long-term career	0.13	0.59
B.1.2. Any form of discrimination in the company is discouraged	0.28	0.46
B.1.3. Employees are included in important discussions in the company	0.14	0.68
B.1.4. Employees' health, safety and welfare are taken into consideration by the company	0.49	0.54
B.1.5. A work-life balance is provided to employees	0.53	0.38
B.1.6. Business reaps the benefits of loyal customers	0.52	0.07
B.1.7. BSR teaches teamwork skills to employees	0.61	0.24
B.1.8. BSR programs are initiated and guided by top managers	0.61	0.21

Table 8.1: Factor loading on the tourism BSR internal stakeholders

Table 8.1 indicates four items with bearing on Factor 1, Accountability. In this case, the four statements or items were grouped together and comprise B1.5, B1.6, B1.7 and B1.8. The four items indicate the level of accountability associated with the surveyed tourism businesses. Factor 2, Responsibility, also consisted of four items, B1.1, B1.2, B1.3 and B1.4: the tourism business encourages its employees to develop their skills and long-term careers, any form of discrimination in the business is discouraged, employees are included in important discussions in the business, and the company considers employees' health, safety and welfare. The last item, B1.4, which referred to employees' health, yielded positive results on both Factor 1 and Factor 2. However, it was decided to associate it with Factor 2.

Accountability is one of the seven principles of ISO 26000. The standard places an obligation on management to be answerable to the controlling interests of the business, legal authorities and any stakeholder affected by its decisions and activities, and it refers to the acceptance of wrongdoing and provision of strategies for remedy. The degree of accountability varies. However, this principle should always correspond to the amount or extent of authority. Those tourism businesses

with ultimate authority are likely to pay greater heed to the quality of their decisions and management.

Another factor loading was established with two factors. Factor 3, Transparency, identifies the following items: the company provides training for local communities, dialogues with communities take place regularly, the business encourages employees to participate in local community activities, local communities are receiving financial support from the tourism business, and BSR assists in the recruitment of local community members. Factor 4, Fairness, relates to the following: the tourism business ensures honesty and quality in its dealings with customers and suppliers, the business's products have adequate information, the business pays suppliers on time, a customer complaint box is available and clearly displayed, the business resolves customers' complaints timeously, and the business encourages co-operation with other businesses and organisations.

Rotated factor loading Item	Factor 3	Factor 4
B.3.1. The company provides quality products and is honest in its agreements and relationships with customers and suppliers	0.12	0.73
B.3.2. The company's products have adequate information	0.20	0.49
B.3.3. The company pays suppliers on time	0.14	0.74
B.3.4. A customer complaint box is available and clearly displayed	0.31	0.52
B.3.5. The company resolves customer complaints timeously	0.16	0.60
B.3.6. The company encourages cooperation with other companies and organisations	0.35	0.44
B.3.7. The company provides training for local communities	0.68	0.27
B.3.8. Dialogues with communities take place regularly	0.77	0.17
B.3.9. The company encourages employees to participate in local community activities	0.74	0.22
B.3.10. Local communities are receiving financial support from the company	0.58	0.10
B.3.11. BSR assists in the recruitment of local community members	0.43	0.29

Table 8.2: Factor loading on tourism BSR external stakeholders

Transparency (B3.7, B3.8, B3.9, B3.10 and B3.11) refers to openness about decisions and activities that affect society, the economy and the environment. This factor indicates that a tourism business should disclose known and unknown activities and effects in a clear, accurate and complete manner and to a reasonable

and sufficient degree. This information should be readily available, directly accessible and understandable.

8.3   Testing the Reliability of the Constructs

To test the validity of all the constructs (dimensions) in the questionnaire, an exploratory factor analysis was performed to determine whether the individual questions contribute to the constructs as intended in the questionnaire. Item analysis was done to assess the reliability of the different constructs through Cronbach's alpha values. In EFA, dimensions can also be referred to as constructs or concepts. Reliability refers to the consistency of measurement, or the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects.

Cronbach's alpha was used to test internal consistency and to test the scales of the statements under internal and external tourism business stakeholder effects. The overall Cronbach's alpha value for reliability is interpreted in the study as good reliability at above 0.8, acceptable reliability at 0.6 to 0.8, and unacceptable reliability at below 0.6. The factors identified through factor analysis and listed in Table 8.2 were tested for their reliability using Cronbach's alpha. The results of the reliability testing of the four constructs, namely, Accountability, Responsibility, Transparency and Fairness, are indicated in tables 8.3, 8.4, 8.5 and 8.6.

Table 8.3: Cronbach's alpha values for the Accountability construct (internal

	α	**Plot Alpha**
Entire set	0,7035	
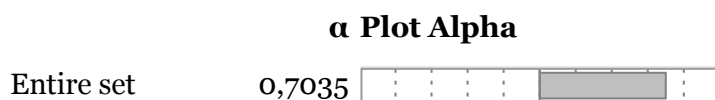
stakeholders) B.1.5. to B.1.8

Excluded	α
B.1.5. A work-life balance is provided to employees	0,6486
B.1.6. Business reaps the benefits of loyal customers	0,6872
B.1.7. BSR teaches teamwork skills to employees	0,5899
B.1.8. Top managers initiate and guide BSR programmes	0,6366

Table 8.4: Cronbach's alpha values for the Responsibility construct (internal stakeholders) B.1.1. to B.1.4

α Plot Alpha		
Entire set	0,7162	

Excluded	α
B.1.1. The company encourages its employees to develop their skills and long-term careers	0,6466
B.1.2. Any form of discrimination in the company is discouraged	0,6776
B.1.3. Employees are included in important discussions in the company	0,6486
B.1.4. The company considers employees' health, safety and welfare	0,6451

Table 8.5: Cronbach's alpha values for the Transparency construct (external stakeholders) B.3.7. to B.3.11

α Plot Alpha		
Entire set	0,8021	

Excluded	α
B.3.7. The company provides training for local communities	0,7513
B.3.8. Dialogues with communities take place regularly	0,7326
B.3.9. The company encourages employees to participate in local community activities	0,7397
B.3.10. Local communities are receiving financial support from the company	0,7855
B.3.11. BSR assists in the recruitment of local community members	0,8048

Table 8.6: Cronbach's alpha values for the Fairness construct (external stakeholders) B.3.1. to B.3.6

α Plot Alpha		
Entire set	0,7592	

Excluded	α
B.3.1. The company provides quality products and is honest in its agreements and relationships with customers and suppliers	0,7197
B.3.2. The company's products have adequate information	0,7411
B.3.3. The company pays suppliers on time	0,7064
B.3.4. A customer complaint box is available and clearly displayed	0,7447
B.3.5. The company resolves customer complaints timeously	0,7061
B.3.6. The company encourages cooperation with other companies and organisations	0,7320

The overall Cronbach alpha test for all constructs had an output between 0.7 and 0.8 for the entire set. The individual Cronbach's alpha values corresponding to the items (or questions) in each construct indicated the change in the overall Cronbach's alpha value should the corresponding item be removed from the construct. If the individual value was higher than the overall value for the entire set (usually at least two per

cent), this individual item could be removed. The removal had to make sense and be logical. In this case, no items qualified for removal. Therefore, a reliable Cronbach coefficient alpha value confirms that the individual items of a dimension measured the same dimension or concept consistently. The results are indicted in Table 8.7.

Variables	Items	Items omitted	Mean	SD	Cronbach's alpha value	Reliability
Construct 1: Responsibility	B.1.1 B.1.2 B.1.3 B.1.4	None	1.36	0.58	0.72	Acceptable
Construct 2: Accountability	B.1.5 B.1.6 B.1.7 B.1.8	None	1.42	0.57	0.70	Acceptable
Construct 3: Transparency	B.3.1 B.3.2 B.3.3 B.3.4 B.3.5 B.3.6	None	1.28	0.51	0.76	Acceptable
Construct 4: Fairness	B.3.7 B.3.8 B.3.9 B.3.10 B.3.11	None	2.20	0.98	0.80	Good

Table 8.7: Means, standard deviations, correlations and coefficient

Note: N = 8o.

8.4   Testing the Relationship Between Responsibility Factors and BSR Variables

Based on the distribution for the Responsibility construct, on a scale of 1 to 5 where 1 represents strongly agree and 5 represents strongly disagree, the majority strongly agreed with Responsibility factor (mean = 1.36), as indicated in Table 8.8.

Mean   1,3624595

		Table 8.8: Summary of statistics: Responsibility Factor
Std Dev	0,5879592	
Std Err Mean	0,0289667	
Upper 95% Mean	1,4194009	
Lower 95% Mean	1,3055182	
N	412	

Concerning the factors tested that influence Responsibility (A1, C1, C5, D1 and D5), A1 and C1 were found significant. A1 refers to the existence of a relationship between the surveyed tourism businesses and tourism BSR stakeholders. C1 = level of awareness of BSR regulations by tourism businesses, C5 = company's BSR activities that are aligned to the provinces' BSR regulations, and D1 = BSR indicators applied. Thus, the existence of a formal relationship or link between tourism businesses and stakeholders and a tourism business's level of awareness of tourism BSR regulations influence the level of responsibility in the tourism industry.

8.4.1 Responsibility Factor

8.4.1.1 Awareness and Relationship on Responsibility

Responsibility was tested against the question posed to the respondents of whether they had any relationships with internal and external stakeholders. Table 8.9 indicates that those who have relationships with stakeholders are more responsible (mean = 1.31), while more tourism businesses that are aware of BSR regulations (mean = 1.25) are responsible than those that are aware and comply.

A1-LEVEL	Mean	C1-LEVEL	Mean
Yes	1.31	Aware	1.25
No	2.05	Not aware	1.57
		Aware of and comply with BSR regulations	1.35

Table 8.9: Mean level for A1 and C1 in

Responsibility construct

8.4.1.2   Business and Respondents Profile on Responsibility

Table 8.10 illustrates the elements that were significant in the tests conducted on the effects of the tourism business profile (E5, E7) and respondent profile (F8) factors that influence the Responsibility construct. E5 = type of tourism business ownership, E7 = racial background of the business owner and F8 = respondent's racial category.

Table 8.10: Mean level for E5, E7 and F8 in Responsibility construct

E5-LEVEL	Mean	E7-LEVEL	Mean	F8-LEVEL	Mean
Foreign	1.77	Black	1.10	African	1.78
Local	1.30	Coloured	1.33	Black	1.45
		Indian	1.44	White	1.22
		White	1.34	Coloured	1.36
				Indian	1.30

The E5 mean indicates that local tourism businesses (local mean = 1.30) agree more strongly than the foreign tourism businesses (foreign mean = 1.77) with factors affecting the Responsibility construct. Heath (2001) contends that although foreign-owned tourism businesses engage in BSR activities, this is questionable because they lack long-term commitment. Nonetheless, Fig (2005) and Ramlall (2012) argue that locally owned South African tourism businesses become involved in BSR if they are linked to the supply chains of big tourism businesses and are required by these tourism businesses to maintain certain standards.

The findings of this study indicate that although locally owned tourism businesses may be less involved in BSR, they are more willing to take responsibility for their actions than foreign-owned tourism businesses are. The reactions of the foreign-owned tourism businesses studied is unsurprising because, as discussed in Chapter Five, South African businesses generally support corporate social investment (CSI) and corporate citizenship (CC) rather than corporate or business social responsibility, regardless of the popularity of BSR (Fig, 2005; Ramlall, 2012).

The level of responsibility was also tested across the various racial groups in South Africa. The E7 mean shows strong agreement from respondents associated with Black-owned tourism businesses (Black mean = 1.10). The CEE (2012) indicates

that there is a greater increase in the number of Black professionals (from 16.2 to 34%) than in the number of professionals from any other racial groups in the country. This can directly influence Black tourism business owners' willingness to be responsible for their businesses' activities. Conversely, the results indicate that White tourism business owners are reluctant to be responsible. This supports Fig's (2005) argument that White tourism business owners believe that accepting responsibility means conceding their involvement with the inequalities of the apartheid government. However, the F8 mean indicates strong agreement regarding Responsibility among the individuals from historically White backgrounds, possibly due to the majority of the respondents being White managers.

The King Report II (2002) and Lindgreen *et al.* (2009) indicate that South African managers generally have a relatively positive perception of BSR practices. It was only after 1994 that other racial groups were allowed to take part in the development of tourism in South Africa. As a result, only those surveyed tourism employees with experience due to their long service in the tourism businesses understood the importance of socially responsible business practices. According to Scott (2011), time affects the level of knowledge and expertise employees accumulate and their involvement in important decision-making.

8.4.2   Accountability Factor

Based on the distribution for the Accountability factor, on a scale of 1 to 5 where 1 represents 'strongly agree' and 5 represents 'strongly disagree', the majority strongly agreed with regard to the Accountability construct (mean = 1.42), as seen in Figure 8.11.

Table 8.11: Summary statistics: Accountability

Mean	**1,4284533**
Std Dev	0,5721043
Std Err Mean	0,0284985
Upper 95% Mean	1,4844781
Lower 95% Mean	1,3724285
N	403

According to the King Report III (2009), accountability means that tourism businesses provide justifications for their decisions and actions to internal and external stakeholders. The D5 mean indicates that those tourism businesses that reported their BSR activities to a government department agreed more strongly (mean = 1.32) than those who did not (mean = 1.48). The results show that tourism businesses prove their compliance with the regulations through reporting. Thus, tourism businesses that are not reporting their BSR activities are unable to justify their socially responsible decisions and actions.

Table 8.12: Mean level for D5 in Accountability construct

D5-LEVEL	Mean
Yes	1.32
No	1.48

The accountability rating (AR) of South African tourism businesses values CSI practices more than BSR activities because CSI does not relate to tourism businesses' responsibility for past malpractice in the country. Nonetheless, Hunter (2013) states that reporting assists tourism businesses in measuring, understanding and communicating their economic, environmental, social and governance performance. This information is valuable to the government for policy formulation and review. Hunter's study demonstrated that the BSR reporting of JSE-listed tourism businesses improved significantly since the publication of the King Report III and the establishment of the GRI, JSE: SRI and SNS 1162 reporting guidelines.

8.4.2.1   Business and Respondents Profile on Accountability

When testing tourism business profile (E1) and respondent profile (F8) factors that influence Accountability, E1 and F8 were found to be significant.

Table 8.13: Mean level for E1 and F8 in Accountability construct

E1-LEVEL	Mean	F8-LEVEL	Mean
Accommodation	1.48	African	1.80
Transport	1.40	Black	1.50
Travel agent	1.62	White	1.36
Attractions	1.03	Coloured	1.43
Tour operator	1.45	Indian	1.38

E1 indicates the type of tourism businesses surveyed. Among the surveyed tourism businesses, the results show that attractions had more significant influences on the Accountability construct (mean = 1.03) than other types of tourism businesses.

Variable F8 was also found significant in terms of the Accountability construct. The different racial groups surveyed indicated different levels of agreement. The results show that White respondents have the most influence on Accountability (mean = 1.36), followed closely by Indian respondents (mean = 1.38). BSR is management's responsibility, and in the Western Cape Province there are currently more White top managers (79.5%) than top managers from any other racial groups (CEE, 2012). According to the report, emerging top management positions were found to be increasing among Indian workers, mostly in public businesses. Respondents from Black and Coloured racial groups were found to agree less with Accountability factors because they are not directly involved in decision-making processes. In addition, members of the White racial group support Accountability rather than Responsibility because Accountability justifies that they are not responsible for the wrongdoings of White tourism businesses during the apartheid period. This supports Fig's (2005) argument.

8.4.3   Transparency Factor

Based on the distribution for Transparency, on a scale of 1 to 5, where 1 represents 'strongly agree' and 5 represents 'strongly disagree', the majority strongly agreed with statements related to the Transparency construct (mean = 1.28).

Table 8.14: Summary of statistics: Transparency Factor

Mean	**1,2894531**
Std Dev	0,5141861
Std Err Mean	0,0262394
Upper 95% Mean	1,3410445
Lower 95% Mean	1,2378617
N	384

Concerning how awareness of tourism business social responsibility (A1, A3), business social responsibility regulations (C1, C5) and the implementation of business social responsibility (D1, D5) influence Transparency, several factors discussed below were found to be significant.

8.4.3.1 Relationship and Other BSR Variables on Transparency Factor

Creating a formal relationship or link between a tourism business and its stakeholders is one of the six strategies encouraged in the South African tourism industry to achieve social responsibility (Department of Environmental Affairs and Tourism, 2002). A1 indicates that those tourism businesses that have a formal relationship with their stakeholders strongly agree with the Transparency factor. C1, on the other hand, shows that the levels of awareness of and compliance with BSR regulations significantly influence Transparency. A strong relationship between a tourism business and its stakeholders influences the awareness and compliance of the tourism business. Moreover, BSR indicators influence the level of transparency.

A1-LEVEL	Mean	C1-LEVEL	Mean	D1-LEVEL	Mean
Yes	1.20	Aware	1.15	Yes	1.19
No	2.36	Not aware	1.59	No	1.99
		Aware of and comply with BSR regulations	1.14		

Table 8.15: Mean level for A1, C1 and D1 in Transparency construct

8.4.3.2 Business and Respondents Profile on Transparency

In testing the tourism business profile and respondent profile elements that influence the Transparency construct, only the respondents' profile (F4 and F8) were found significant. F4 indicates that the respondents with university qualifications (mean = 1.25) were strongly in agreement with the Transparency factor. Level of education was found to have significant influence on the extent of disclosing or sharing information regarding tourism businesses impacts. Scott (2011) identifies two types of policy knowledge: professional policy knowledge and local policy knowledge. It is likely that those with degree qualifications understand BSR better. According to

Matten and Moon (2004), although BSR is not embedded in the curricula of many institutions of higher learning in areas such as Europe, it has generally been a popular field of study among postgraduate students and researchers. However, the tourism industry typically has a low skill base level (Tassiopoulos, 2009).

Table 8.16: Mean level of F4 and F8 in Transparency construct

F4-LEVEL	Mean	F8-LEVEL	Mean
No formal education	1.42	African	1.60
School certificate	1.29	Black	1.24
Tertiary certificate	2.33	White	1.16
Degree	1.25	Coloured	1.35
		Indian	1.44

F8 refers to the fact that White employees have a mean level of 1.16, which indicates that White employees are more willing to disclose information than employees from any other racial groups. They are more knowledgeable because of their long-term service in the tourism industry. Overall, it was found in the study that lack of transparency in disclosure is caused by the existing tourism BSR implementation gap that results from poor organisational restructuring and human resource development. This was observed mainly in the Black, Indian and Coloured participants who do not form part of the political elite and are excluded from the top management positions in the Western Cape province.

8.4.4 Fairness Factor

Based on the distribution for Fairness, on a scale from 1 to 5, where 1 represents strongly agree and 5 represents strongly disagree, the majority of respondents (mean = 2.20) agreed with fair business practices.

Table 8.17: Summary of statistics: Fairness Factor

Mean	2,2024004
Std Dev	0,9887757
Std Err Mean	0,0515435
Upper 95% Mean	2,303758
Lower 95% Mean	2,1010427
N	368

Fairness refers to a tourism business's consideration of its interests and stakeholder expectations. Concerning the relationships, awareness of and compliance with BSR guidelines (A1), BSR regulations (C1) and the implementation of BSR (D1 and D5) elements were tested to determine their influence on the Fairness construct, those found significant are discussed below.

8.4.4.1 Relationship and Other BSR Variables on Fairness Factor

A1 shows that the existing relationships between tourism businesses and stakeholders significantly influence businesses' fairness in balancing their interests and stakeholder expectations (mean = 1.99), especially when compared to those who do not have any formal relationship with stakeholders. C1, which refers to awareness of and compliance with BSR regulations (mean = 1.32), also strongly influences the tourism businesses in ensuring a balance between their interests and stakeholders' expectations, as indicated in Table 8.18.

A1-LEVEL	Mean	C1-LEVEL	Mean	D1-LEVEL	Mean	D5-LEVEL	Mean
Yes	1.99	Aware	1.94	Yes	2.02	Yes	1.45
No	4.03	Not aware	2.68	No	2.90	No	2.29
		Aware of and comply with BSR regulations	1.32				

Table 8.18: Mean level of A1, C1, D1 and D5 in Fairness construct

Furthermore, the findings of the study identify D1 (mean = 2.02) as linked to those tourism businesses that have BSR indicators. These tourism businesses used their BSR indicators to ensure fair business dealings. The results of the study further

show that D5 (mean = 1.45) is associated with the ability of tourism businesses to report to government departments that assess whether they comply with regulations. The tourism businesses that reported their BSR activities were fairer in their contracts and policies than those who did not report their BSR activities

8.4.4.2 Type of Tourism Business on the Fairness Factor

Concerning the tourism business profile and respondent profile elements tested to establish whether they influence the Fairness construct, factor E1 emerged as significant to the study.

Table 8.19: Mean level of E1 in Fairness construct

E1-LEVEL	Mean
Accommodation	2.31
Transport	2.46
Travel agent	2.46
Attractions	1.26
Tour operator	2.13

E1 indicates that in relation to Fairness, the mean scores of respondents associated with attractions (1.26) and tour operators (2.13) reflect that respondents affiliated with tourist attractions and tour operators strongly agreed about the importance of fair business practices, such as ensuring that companies pay suppliers on time and that policies and contracts are fair and clear. These practices allow tourism businesses to strike a balance between their interests and stakeholders 'expectations and promote fairness (Factor 2).

As mentioned previously, the emphasis on environmental policies motivated environmentally based tourism businesses to employ fair business practices in their relationships with external stakeholders. The tourist attractions and tour operators rely heavily on the environment because it is their main product. Furthermore, modern tourists are more environmentally sensitive, which forces these tourism businesses to ensure fairness in their operations. Matten and Moon (2004) argue that even institutions of higher learning that offer BSR courses focus more on the environment.

8.5 The Application of Regression Analysis on Tourism BSR Assessment

Regression analysis was conducted to describe the statistical relationships between predictor variables (one or more) and the response variables, which assisted in the generation of equations. The linear regression equation was used to determine the extent to which there is a linear relationship between a dependent variable (response) and one or more independent variables (predictors).

8.5.1 Relationship Between the Dependent and Independent Variables

There are two types of linear regression, namely simple linear regression and multiple linear regression. Multiple regression was used in the study to examine whether A1, A3, C1, C5, D1 and D5 affect social responsibility. The overall model identified a 12.17% variance in social responsibility, which was revealed to be statistically significant: F = 14, 3716, p = < 0.0001*. Moreover, an inspection of individual predictors revealed that A1 and C1 were significant predictors of social responsibility.

To determine whether the regression model was statistically significant; a statistical test, the F-test, was conducted. A probability value (p-value) was produced that indicated statistical significance; that is, a p-value of 0.05. In this case, all the variables were included in the model to test their effects on the dependent variable. The overall model showed that the p-value from the F-test was less than 0.05 (p = 0. 0002*), indicating a significant linear relationship at a 95% level of confidence. However, to assess the significance of the individual independent variables, individual p-values were used. A1 and CI was found to be significant with p-values of <0.0001 and 0.0004* (above 0.05), while A3, C5, D1 and D5 were not significant at a 95% level of confidence with p-values of 0.8760 and 0.6625 (A3), 0.2693 (C5), 0.0502 (D1) and 0.3481 (D5).

Stepwise regression to test all possible significant combinations of the independent variables followed. A1 and C1 were significant with p-values of 0.00105 and 0.00032

(above 0.05) respectively, while A3, C5, D1 and D5 were not significant at a 95% level of confidence, with p-values above 0.05. The conclusion was drawn that variables A3, C5, D1 and D5 should be removed, and the regression was repeated. To assess the significance of the individual independent variables, the individual p-values were used. In this case A1 and C1 were significant with p-values of <0.0001 and 0.0003* (below 0.01, therefore significant at the 99% level). Thus, the independent variables A1 and C1 (relationships with stakeholders and awareness of and compliance with BSR regulations) significantly affect tourism businesses' social responsibility. The coefficient of determination (R^2) indicated how well the regression model fit the data. In this case, the R^2 value is 0.121754, which indicates that the regression model explains 12.17% of variation in tourism social responsibility (A1 and C1).

8.6   Chapter Summary

This chapter contains a quantitative presentation of the study's findings. This assisted in identifying the relationship between correlative variables and disclosing the underlying factors in the BSR implementation processes, and factor analysis was found applicable. The chapter revealed that two factors can be associated with internal stakeholders and two with external stakeholders. To test the validity of the constructs (dimensions) in the questionnaire, Cronbach's alpha was applied. This aided in determining if the individual questions contributed to the constructs as intended in the questionnaire.

Chapter Nine

Analysis, Interpretation and Discussion of Research Results

9.1 Introduction

Chapters Seven and Eight feature a presentation of the findings of the study. The current chapter offers an analysis, interpretation and discussion of the data presented in the preceding chapters. Although the structural patterns and clusters described in chapters Six and Seven are not extended, the arguments in this chapter derive from such structural patterns and clusters. This is done for an improved cross-examination of the findings and analysis. This chapter is more comprehensive and provides a qualitative analysis and quantitative statistical interpretation of the research findings. The analysis, interpretation and discussion are centred on the main aim and questions and objectives of the study, for example, the primary roles of tourism businesses and government in achieving suitable BSR initiatives are analysed.

9.2 Government, Tourism Businesses and Community and Sustainable Development

One of the main aims of this study was to investigate the extent to which tourism businesses make a meaningful, measurable contribution towards sustainable development through BSR activities. The key roles of government and the tourism industry and their contribution towards growth in developing countries in terms of economic, social and environmental impacts are analysed in this section of the study.

9.2.1 Government as Actors and Leaders in Sustaining Tourism Development

The government is expected to provide leadership and create a favourable environment to ensure that communities benefit from tourism. In South Africa, there

is currently a significant gap in the relationships and levels of communication between government, tourism businesses and communities. Table 7.41 indicated the five main BSR activities identified by the surveyed government tourism departments in the province. The activities mentioned have little influence on the BSR activities of the surveyed tourism businesses and community organisations. For example, Table 7.6 shows little awareness among tourism businesses of the government's BSR policies and standards. Moreover, it was found that financial constraints were a common challenge for both tourism businesses and communities, and the government did not identify these as a priority. Although the government agreed to intervene in the tourism industry, as indicated in Table 7.41, the results in Table 7.24 show that communities were not aware of any government intervention in regards to BSR implementation.

The results in Table 7.41 further show the major shortcomings of government intervention in tourism BSR practices. The results illustrate that the government supports one NGO a year, and one wonders what level of impact is being achieved in this case. Many NGOs require government intervention to facilitate the involvement of tourism businesses. In the absence of this, tourism businesses are unlikely to support NGOs. Some of the tourism businesses surveyed mentioned an inability to access NGOs databases as the main barrier to their tourism BSR commitment. Tourism BSR information dissemination, which currently is done mainly via toolkits, limits access to tourism businesses, especially SMTEs.

Another factor identified in Table 7.41 is that the government is not prepared to name tourism businesses that are performing poorly in BSR. This is currently impossible due to the lack of BSR guidelines. Because no sanctions are imposed for not practicing BSR, there are no consequences of failure to comply with guidelines, as seen in Table 7.41. Hence, few tourism businesses are willing to implement BSR activities that are meaningful to communities, as seen in tables 7.11 and 7.12.

Moreover, the results set out in Table 7.41 show that the government is biased towards large tourism businesses and environmental issues. This explains the results in tables 7.11 and 7.12: accommodation businesses are the dominant role players in tourism BSR, while environmental activities dominate tourism BSR

activities. However, irrespective of strong government support, accommodation businesses have an extremely low level of commitment to ensuring fair business activities (see Table 8.19) and are unwilling to be accountable for their business actions (see Table 8.13).

Another problem South African government tourism departments face is that there is currently no agency or body that leads tourism BSR activities and there is no government function specifically dealing with BSR, as seen in Table 7.41. As a result, there are no clear interventions or regulations, reporting guidelines or even procedures used to assess the level of tourism BSR effects on stakeholders and communities, as seen in Table 7.41. Tourism businesses report their activities to too many government departments using different requirements (Table 7.32). Most respondents identified the Department of Health for tourism BSR reporting because most of the surveyed businesses offered accommodation. These tourism businesses are required by law to comply with health requirements to obtain operating licenses, not necessarily for tourism BSR.

The unclear reporting system is confusing and time consuming, and it discourages the tourism industry from fully committing to tourism BSR. Furthermore, although BSR activities, such as the development of SMMEs, were mentioned, the government typically undertakes these with little contribution from the private sector. These issues support the Western Cape Government (2002) and DA's (2013) statements that there is ad-hoc planning and a lack of coordination between tourism stakeholders in the province.

9.2.2 Tourism Businesses as Actors in and Drivers of Sustainable Development

The tourism industry consists of different sectors, such as accommodation, transport services, tour operators and site attractions. These are referred to as actors in and drivers of sustainable tourism development. They interpret and give meaning to time and space, which are events and circumstances, such as unemployment, poverty and inequality. The sizes and types of these actors and agencies affect their reactions to unemployment, poverty and inequality.

As indicated in Table 7.1, hotels and tour operators dominate the tourism BSR activities. Big hotels and tour operators, travel agencies and resorts usually have well-structured tourism BSR policies, which could make meaningful contributions towards sustainable development if properly monitored. Moreover, the findings in Table 7.41 show that accommodation establishments (75%) followed by attractions (66.7%) receive the most government support.

The findings further indicate that foreign tourism business people own and manage MNCs or chains. This promotes leakage because these tourism businesses send some of their profits abroad. Their profits do not contribute towards the host country's economic growth, especially in developing countries where there is greater dependency on foreign investment. MNCs are less concerned with the wellbeing of local communities, as indicated in Table 7.24 where community organisations suggested the increased involvement of large tourism businesses, which they do not feel at present.

Furthermore, Table 8.10 shows that foreign tourism business owners are less committed to social responsibility activities than local tourism business owners are. This raises questions about the extent to which foreign-owned tourism businesses contribute to the development of communities and whether the government has adequate capacity to regulate and monitor the activities of these tourism businesses.

In addition, the impacts of tourism businesses are highly dependent on their type and nature. Table 8.13 shows that tourist attractions are more accountable for their BSR activities. Table 8.19 indicates that tourist attractions are also more committed to fair business practices and ensuring that employment and supplier contracts are fair and transparent. Most attractions have long been governed by sound environmental policies, and global and local policies have been biased towards environmental issues. These environmental policies have increased the level of accountability for most tourist attractions in the country. The existing environmental policies in South Africa, such as NEMA, have greatly contributed to this phenomenon. This shows beyond a doubt the influence of government policies on tourism business activities. Nevertheless, this has not yet extended fully to business social activities. As a result,

tourism businesses and employees easily identify and understand the effects of business practices on the environment as opposed to communities.

9.2.2.1   Tourism Employees' Interpretation and the BSR Concept

As shown in Table 7.25, tourism employees interpreted the concept of BSR in numerous different ways, yet these interpretations correspond to the scientific definitions of BSR. The results show that some respondents felt that tourism businesses exist to concentrate on making profits. This supports Levy and Park's (2011) contention that profit is a key driving force for BSR. Furthermore, the respondents showed some agreement with the statement that managers advance their personal agendas through BSR, which agrees with the assessment of Fig (2005). The results further show that the respondents agreed that BSR is management's responsibility and is driven largely by moral considerations. Esser and Dekker (2008), Levy and Park (2011), and Ramlall (2012) support this view.

This is unsurprising because the findings in Table 7.41 show the highest response rate (60%) of government officials confirming that the government ensures awareness of the BSR concept within the tourism industry. However, the main problem is that the results in Table 7.41 further show that although government creates awareness of the tourism BSR concept, it is biased towards accommodation. The researcher argues that the success of tourism BSR implementation depends largely on a good understanding of the concept by the entire tourism industry rather than by only a certain section.

9.2.3   Community-Based Tourism as a Strategy for Sustainable Development

Sustainable development ensures that development projects and activities are community driven to extend the consumption of resources to future generations. Most of the organisations surveyed were based in Langa, as depicted in Table 7.24. The popularity of this township is due to its proximity to the City of Cape Town. Additionally, some of the organisations surveyed were from Khayelitsha Township, and Mitchell's Plain and Soweto were also identified by surveyed tourism businesses (see Table 7.18). These are the most popular townships in the country, and they

have rich cultural and heritage resources. Tourism businesses tend to support those communities directly affected by their operations rather than the entire community, irrespective of whether there is greater need for their intervention in other communities. Hence, the motivations behind tourism BSR activities are questioned in this study. Tourism businesses are involved in areas and activities that also benefit them. For example, they prioritise the areas in which tourism resources are abundant. This causes tension between the hosts and other communities. The aim is to comfort communities rather than encourage sustainable projects.

In South Africa, townships are characterised by high levels of poverty, and industries like tourism are not bringing about significant change. In the Western Cape, tourism MNCs show little interest in townships. It is difficult to attract large tourism companies to townships where infrastructure is lacking and security is problematic. Meanwhile, tourism businesses feel that infrastructure development and security is the government's function. If tourism businesses become involved in township activities, they do so due to pressure from international customers.

The results in Table 7.17 indicate that 96 per cent of the BSR stakeholders identified by tourism businesses are located in the Western Cape Province. Although these results indicate a positive effect, 92 per cent of the tourism businesses are within the City of Cape Town due to the abundance of tourism attractions in the area. As indicated in Table 7.18, a high percentage of the tourism businesses assist the stakeholders residing in the Cape Town and Stellenbosch regions. Benefit decreases as one moves out of these nodes.

Zmyslony (2011) commented on the phenomenon of localised tourism business benefits, stating that only the biggest, most attractive and powerful cities usually fully benefit from the globalisation processes associated with tourism. Cape Town, for example, is the designated legislative capital of South Africa where parliament sits and is rated one of the most attractive cities in the world. Nonetheless, although minimal, tourism BSR stakeholders were also found outside South Africa. The findings show that some of the tourism businesses have footprints in other African countries due to globalisation. Table 7.20 provides the relevant information on this aspect of the study.

The researcher analyses, interprets and discusses the level of government leadership in the tourism industry, the extent to which tourism businesses drive the industry and how these two role players maintain the wellbeing of communities.

9.3   Framework and Context of Tourism BSR

The framework and context of tourism BSR differ in relation to the paradigm of developed and developing countries. The tourism BSR framework and context include consideration of factors that may constrain or promote the performance of tourism BSR, especially in developing countries.

9.3.1   Factors that Promote Tourism BSR Performance

In this section, the researcher examines the factors that generally promote the implementation of tourism BSR, focusing on developing countries.

9.3.1.1   Collaboration of Role Players in Promoting Tourism BSR

During the apartheid period in South Africa, international markets forced local tourism businesses to indicate their social responsibility activities before allowing them to enter into international partnerships. Today, the existence and sustainability of collaboration between tourism businesses and stakeholders remains questionable. Table 7.41 indicates that 60 per cent of government respondents mentioned that they do not enforce any collaboration between tourism business and stakeholders. Hence, as Table 7.4 indicates, formal collaboration between tourism businesses and stakeholders does take place, but there are few tourism business collaborations, especially with previously disadvantaged Black communities in the country. Where a relationship exists, donors and sponsors control the relationship, as seen in Table 7.5.

Making donations is a norm in developing countries where there is increased dependency and few strict legal requirements. To maximise the contribution of tourism in the Western Cape, it is argued that donor relationships be minimal. In the northern hemisphere, BSR initiatives, such as the Environmental Protection Agency (EPA), were established once businesses reduced their philanthropic activities

(Crane & Matten, 2007). This is also possible to achieve in developing countries provided donor relationships are not the key form of relationships with stakeholders.

Furthermore, tourism businesses that embrace collaboration are more likely to engage in BSR activities. Table 8.9 indicates that those tourism businesses that have any form of formal relationships with stakeholders agreed more strongly (mean = 1.31) about taking responsibility than those who do not have any forms of formal relationships (mean = 2.05). These tourism businesses take responsibility for ensuring that their employees further their studies while discouraging discrimination among employees. There is a strong relationship between the two variables of responsibility and friendship. Tourism businesses can take full responsibility for the effects of their actions on stakeholders only if a strong relationship exists.

Moreover, the findings in Table 8.15 suggest that tourism businesses that have a relationship with stakeholders are more transparent about their activities. Transparency means that tourism businesses disclose information about their effects to enable their stakeholders to make informed decisions. Table 8.18 shows that the existing relationships between tourism businesses and stakeholders significantly influence businesses' fairness in balancing their interests and stakeholder expectations (mean = 1.99).

A small number of tourism businesses that participated in the study identified PPPs. This is worrying because this type of collaboration forms beneficial tourism business relationships that can promote local prosperity. PPPs can help academics, tourism businesses and social interest groups, including unions, provide feedback for the proper direction of the tourism industry in developing countries. Additionally, PPP assures communities that tourism businesses play an important role in improving local business management skills. Public institutions can assist with the provision of infrastructure for business training while tourism businesses contribute to skills development and mentorship. Nevertheless, PPP has to be monitored strategically. According to Makalipi (2014), PPP was a primary post-1994 South African government programme for reducing unemployment through the privatisation of businesses. However, due to a lack of monitoring this was unsuccessful.

In addition, PPP creates employment for short periods through publicly funded contractors, who without support often lack the resources and requisite knowledge to expand their tourism business operations. Asamoah (2013) argues that although PPP should be encouraged to promote BSR in the tourism industry, the success of any type of partnership depends on public or private competencies and resources. The government tourism officials surveyed in this study indicated a general lack of financial support from the government in carrying out BSR activities. The tourism businesses surveyed also indicated that financial limitations were a major challenge in developing partnerships between the public and private sectors in the tourism industry (see Table 7.23).

The results in Table 7.4 show an extremely low response to partnership, regardless of the Western Cape Government (2002) asserting that developing poor communities and instilling confidence in the tourism industry could be achieved through partnerships. The King Report II (2002) points out that South African tourism businesses generally have little interest in building sustainable partnerships. Almost two decades after the fall of apartheid, the country still faces the same challenges in relation to partnership in the tourism industry. Hence, Deputy President Cyril Ramaphosa stated that President Jacob Zuma plans to continue strengthening the relationships between the government and businesses to grow the economy of the country (Morning Live, 2014).

Collaboration between stakeholders, such as NGOs, local governments and experts, can significantly contribute to pushing the BSR agenda in the tourism industry. Argandoña (2010) and Juggernath *et al. (*2011), among others, are in favour of using partnerships to promote BSR in the tourism industry. However, regulations should first be in place and tourism businesses should adhere to them. Most importantly, understanding and knowledge of policymaking should be in place to strengthen any form of collaboration.

9.3.1.2 Existence of Professional and Local Policy Knowledge

This section offers an assessment of the role of employee education in employees' influence on BSR policies. Because employees are part of policymaking processes, their levels of education and knowledge affect their contributions to BSR policy

formulation processes. Two types of policy systems were analysed: *professional policy knowledge*, which refers to technical, systematic and rational knowledge, and *local policy knowledge.*

Although education is one of the main CSI activities among South Africa's businesses, Table 7.26 shows that most of the employees surveyed had attained a secondary school level of education. This is unsurprising because the results indicate that most middle-class workers are White. According to the CEE (2012), the level of professional qualification of White people has decreased from 68.5 to 45.1 per cent from 2002 to 2012 while there has been an increase in Black professionals from 16.2 to 34 per cent during the same period. Thus, it is likely that the surveyed tourism employees lack professional policy knowledge. The employees surveyed instead possessed more local policy knowledge and related to BSR based on their perceptions and experiences of socio-economic policies.

A lack of professional policy knowledge and a relatively low level of education not only negatively affect BSR implementation but also employees' performance and business revenue. Low levels of education in the workplace influence economic growth, especially in developing countries where there is already a shortage of skills and experience in dealing with economic issues. In addition, it affects employees' families because a household is more likely to be poor when the head of the family has a low level of education than when the head of the family has a relatively high level of education. Similarly, according to the UN Human Development Report (2013), a mother's education level is regarded as more important to a child's survival than the mother's household income

The researcher found that BSR budgets allocate little to employees' formal education. Therefore, employees' dependants are likely to remain poor. Education expansion is important because its effects radiate from the employees to their extended family systems and, ultimately, to the broader community. Under such circumstances, the multiplier effect of tourism could be felt.

9.3.1.3 Level of Involvement in the Tourism BSR Activities and Policies

Employees' level of involvement in the implementation of BSR activities and internal policies was included in the study to establish whether it affected the sustainability of BSR in tourism businesses. The findings in Table 7.29 show that most respondents were involved in the administration of BSR, while a relatively low percentage of respondents were involved in critical BSR functions, such as the initiation of, selection of and budgeting for BSR activities. None of the respondents was involved in BSR policy formulation.

In South Africa, BSR activities are usually assigned to relatively untrained, junior and inexperienced staff because BSR is usually regarded as an add-on activity. This not only affects BSR implementation but also influences the participation of customers. In the absence of key decision-making individuals, BSR programmes are unlikely to be included in the core strategies of tourism businesses. Therefore, it could be difficult for tourists to engage effectively in BSR activities that affect real socio-economic issues, especially in developing countries where monitoring and evaluation are non-existent due to a lack of or weak BSR regulations.

9.3.1.4 Monitoring and Evaluation of Tourism BSR Programmes

Tourism businesses can monitor the effects of their BSR activities in numerous ways. The information in Table 7.30 shows that most of the surveyed tourism businesses used ongoing communication with relevant stakeholders as a tool for monitoring the progress of BSR programmes. The monitoring of programmes includes policy dialogue, meetings or debates and site visits. However, these tourism businesses did not have formal or standardised evaluation mechanisms. Fig (2005) argues that because there are no standardised measurements of BSR performance, tourism businesses need to develop their own criteria that relate to their circumstances. Conversely, Sillignakis (2002) supports the use of independent bodies, such as NGOs, for monitoring BSR implementation performance. The findings of this study further identify research as a useful tool because research assistants can assess and monitor BSR initiatives in a country or business's own socio-economic context. Nevertheless, the main barrier to monitoring BSR activities

in many surveyed tourism businesses is the absence of a specialised unit responsible for BSR.

9.3.1.5   Existence of Tourism BSR Unit or Department

Larger tourism businesses tend to use BSR as a marketing strategy, and a well-established business is likely to embrace BSR (The King Report II, 2002; Evngelinos *et al.*, 2008). In this study, the results indicate that the BSR function was most often the responsibility of the front office and general management, as shown in Table 7.38. In most small tourism businesses, these two departments are responsible for marketing and human resource functions, and this explains the absence of fully-fledged BSR departments in most surveyed tourism businesses. The next section offers a discussion of BSR reporting intervals in the surveyed tourism businesses.

9.3.1.6   Reporting Intervals and Tourism BSR Implementation

According to the Western Cape Government (2002), it is challenging to identify the areas in which private sector investments have been made. However, the surveyed tourism businesses indicated that they do report their BSR activities, and do so at least annually (as seen in Table 7.31). This supports the views of the Western Cape Government (2002) and DA (2013) that BSR in the province is characterised by ad-hoc planning and a lack of coordination between tourism stakeholders.

The culture of the lack of reporting or failure to report is also evident in the Commission for Employment Equity Report. South African businesses are required to report their employment equity standards annually. In spite of this, only 21.9 per cent (4 831) of large employers complied with this guideline, whereas small businesses performed better with 78.1 per cent (17 181) submitting reports in 2012 (CEE, 2012). This is regardless of the King Report III (2009) listing some sustainability reporting requirements that businesses must report at least annually.

The United Nations Global Compact (2010) states that although BSR is regarded as a voluntary activity, most developed countries have instituted mandatory measures that compel companies to report their BSR activities. Juggernath *et al.* (2011) contend that the Companies Act of 2008 stipulates that businesses must elect social and ethics committees responsible for monitoring and reporting BSR activities,

although whether these committees exist is questionable. The King Report II (2002) and Ndlovu (2009) maintain that although BSR reporting is an important aspect of the BSR initiative, many South African companies might find it an iterative process. Thus, the nature and extent of disclosure of BSR in the country could develop over time as requisite management information systems are developed. Moreover, the surveyed tourism businesses perceive the three South African sustainability guidelines as addressing mostly large businesses.

Because it is evident that the reporting system is currently unclear to tourism businesses, the next section focuses on a discussion of BSR driving forces in the surveyed tourism businesses.

9.3.1.7 Driving Forces of Tourism BSR Implementation

The information in tables 7.13 and 7.39 sets out the motivations supporting the BSR activities of the tourism businesses surveyed. The findings indicate that most of the surveyed tourism businesses practised BSR based on their core business values and on morality grounds. These two driving forces were seen to be closely related. Thus, the tourism businesses' core values were found to depend largely on the owners or management's moral stances.

Vettori (2005) maintains that the political climate in the 1980s and 1990s brought BSR values into the South African business environment. Today, however, tourism business owners mention the urge to become competitive as the key motive driving their involvement in BSR activities. The owners said that "*Embrace BSR or go extinct!*" is currently an important slogan in the tourism business competition process. Consequently, the King Report II (2002) suggests that there is, in effect, no difference between adherence to government policies and the competitive environment – the two seem to be simply inseparable. The discussion that follows is based on factors that constrain the implementation of BSR processes.

9.3.2 Factors that Constrain Tourism BSR Performance

This section of the analysis and discussion deals with factors that constrain the implementation of BSR, particularly in developing countries.

9.3.2.1　Inequality of Ownership in Foreign and Local Tourism Investors

The Western Cape formal tourism business sector was found to be characterised by inequalities in tourism business ownership, with businesses being predominantly foreign-owned. As indicated in Figure 7.1, foreign-owned tourism businesses constituted a small percentage of the total number of tourism businesses surveyed, yet an elite group of large tourism businesses mostly controls this industry. The economic power and influence in these companies lie within TNCs and MNCs that dominate the tourism industry.

Thus, this finding supports the observations made by Hamann (2003), Nemasetoni and Rogerson (2005), and Tassiopoulos (2009). These authors maintain that six large foreign tourism companies control 60 to 70 per cent of the wealth of the entire South African tourism industry. The authors argue that the majority of locally owned tourism businesses (95 per cent) are SMTEs with little influence on the formulation of policies in the tourism development process in the country. The findings indicate that a minority of foreign-owned tourism businesses still enjoy the most prosperity within the Western Cape tourism industry, yet the Provincial Tourism White Paper was implemented to restructure the sector to spread the gains from tourism activities to ordinary South Africans, promote local ownership of tourism businesses and support SMTEs in entering the industry.

Furthermore, the findings indicate that although the industry is dominated by SMTEs, they have limited power to influence the tourism policies of the country. They lack resources and skills and contribute less to job creation and empowerment than large businesses do. Numerous researchers and observers, such as Rogerson (2005), Tassiopoulos (2009), Steyn and Spencer (2011), and Makalipi (2014), have discussed this issue.

Moreover, numerous SMTEs win government tenders, but tourism business growth remains unmonitored. As a result, these tourism businesses provide poor service to their customers due to lack of resources while contributing little to employment. Small tourism businesses can involve themselves in BSR only if they are linked to the supply chains of big tourism businesses. Under such circumstances, the big

tourism businesses require them to uphold certain tourism business standards. Fig (2005) makes specific reference to this problem.

9.3.2.2   The Size and Type of a Tourism Business

Most of the tourism businesses surveyed in the study region (approximately 64.7 per cent) were SMTEs. These tourism businesses lacked the capacity and resources to engage in certain BSR activities or make a great contribution to job creation. A positive contribution to BSR is usually felt in the very large tourism businesses with over 100 000 employees. However, the findings of the study indicate that few large tourism businesses surveyed (15.8 per cent) were capable of employing more than 150 workers. In South Africa, tourism businesses with 150 employees or more are considered large businesses, and they usually contribute towards job creation, among other things, and social responsibility in particular. Smaller firms with fewer than 150 employees tend to be involved in negative practices, such as the unlawful termination of employment, sexual harassment, discrimination, invasion of privacy, false imprisonment, breach of contract, causing emotional distress and labour law violations. Hence, the results indicate that when small businesses dominate an industry, it affects employment levels and other BSR activities.

Furthermore, the findings of the study indicate that small tourism businesses require motivation and financial support to engage in BSR activities, which poses a significant challenge. Rogerson (2006) argues that the tourism industry lacks incentives from government, such as rewarding tourism businesses involved in BSR activities that lead to job creation and empowerment. As indicated in Table 7.41, most of the incentive support from government is aimed at large accommodation establishments and attractions while ignoring SMTEs, which supports Rogerson's statement to a certain extent. Although there are no financial incentives from the government, research funding is provided as part of incentives. Nevertheless, there is a lack of government incentive support for SMTEs, while large, mostly foreign-owned businesses receive government incentives.

9.3.2.3   Nationality and Demographic Ownership Trends

Figure 7.2 shows a majority of White ownership in tourism businesses. This supports the points raised by the Western Cape Government (2002 & 2006) and Cornelissen

(2005): the province's tourism industry is characterised by the inequitable racial distribution of tourism business ownership. This is a major setback in the BSR implementation process.

Table 8.10 indicates a mean level of 1.34 in relation to White-owned tourism businesses' commitment to the Responsibility factor. These results show that this racial group of tourism business owners as well as Coloured and Indian business owners are less prepared to take responsibility for the effects of their business activities in comparison to Black business owners (mean level = 1.10). This supports Black tourism business owners' belief that their White counterparts should be more involved in BSR, as mentioned by Fig (2005) and Ramlall (2012).

It is clear from the results that there is a significant gap between White- and Black-owned tourism businesses in relation to the Responsibility factor. The researcher asserts that perhaps the reluctance of White businesses owners to be responsible stems from the associated claims that they took part in apartheid's wrongdoing. As such, White tourism business owners do not share this view and argue that the extent to which they can apply BSR policies should not be related to their racial backgrounds and apartheid.

A study conducted by Rogerson (2002) at Highlands Meander indicated that even after 1994 the beneficiaries of tourism development are still the minority, namely White tourism business owners who do not necessarily apply BSR policies. Partnerships between tourism business owners of different races are therefore necessary for the improvement of BSR implementation in the Western Cape. Table 7.3 shows that the main mixed racial ownership patterns were found to be between Coloured and White racial groups. The Coloured group constitutes most of the population (53.9 per cent) in the Western Cape province, whereas White people have more resources and experience in the tourism industry. The racial discrimination practised in the tourism industry during the apartheid era favoured White tourism business owners who were entitled to land and businesses assets. The Afrikaans language served to bond White and Coloured people in tourism business partnerships and could eliminate the cultural barriers between White and Coloured business owners.

Partnerships between Black and White or Coloured people were relatively rare (4.2 per cent). This supports Rogerson's (2006) report on the general lack of tourism business links with previously disadvantaged Black communities in South Africa. The information in Table 7.3 contains data related to publicly owned tourism businesses, including preserved and protected tourist attractions such as Robben Island, the Castle of Good Hope and Table Mountain National Park. Although these are publicly owned tourism businesses, their activities also significantly affect stakeholders. Thus, their participation in BSR requires serious consideration although it was observed that these businesses believed they should be excluded from BSR activities.

9.3.2.4   The Unequal Development of Tourism Businesses

Table 7.16 indicates that the City of Cape Town Municipality contains a high number of the surveyed tourism businesses due to its superior resources and the prevalence of tourist attractions. In this case, the tourism benefits are concentrated in the metro specifically and not the entire Western Cape Province. The uneven spatial distribution of tourist attractions and tourism resources is a challenge in the development of the industry.

The high volume of tourist attractions in the City of Cape Town Municipality attracts mainly foreign-owned tourism businesses. These tourism businesses have a monopoly in the area that does not benefit local communities. Due to their economic power, they can influence authorities to comply with certain conditions and can sometimes change local tourism development laws to satisfy their sectional interests. In this study, the researcher examined how the authorities could address such problems, for example, by providing incentives to tourism businesses located in townships or rural areas. These tourism businesses often have a short lifecycle, which affects their ability to participate in BSR activities.

9.3.2.5   The Time Dimension and Tourism BSR Implementation

Most of the tourism businesses surveyed have been in operation from six to ten and sixteen to twenty years, as seen in Table 7.27. Numerous researchers mention that tourism businesses that have been in operation longer are more likely to be involved in BSR activities. The findings of the current study indicate that whether or not

tourism businesses have been in operation for a longer period, they are likely to engage in BSR activities. However, the type of BSR activities and level of involvement differ.

Chaves *et al.* (2011) agree that only tourism businesses that have been in operation for between 50 and 100 years are likely to be involved in training plans, employee benefit schemes, customer policies and economic indicators. Businesses that have been in operation for under ten years usually show interest in employment issues. The study findings (tables 7.11 and 7.12) indicate that although most surveyed tourism businesses had been in operation for less than 50 years, their BSR activities mainly focused on donations, environmental issues, and education and training, and not only on employment matters as Chaves *et al.* (2011) suggest. In addition, because most surveyed tourism businesses had been in operation for a shorter period, the results relate to a short period in which BSR has been in operation, as seen in Table 7.28.

Table 7.28 provides some key statistics on the number of years in which tourism businesses have been engaged in BSR practices. Most of these businesses have been practicing BSR for at least five to ten years, which correspond to the results provided in Table 7.27. This indicates that most of the tourism business start BSR activities during the early stages of business development although they experience a short lifespan in comparison to other industries. Currently, most of the small tourism businesses, such as tour operators, start their businesses but shut down their operations within a short time due to a lack of money and general resources and intense competition from large tourism businesses. Thus, if the tourism businesses' lifespans become longer, BSR commitment may increase and take place over longer periods. This could be achieved through government intervention and by MNCs providing local businesses with strategic mentorship.

9.3.2.6   Budget Allocation and Its Impact on BSR

Few respondents provided answers regarding the total amount spent on tourism BSR activities because few of the tourism businesses surveyed had dedicated BSR departments and most practiced BSR as an ad-hoc activity. Nonetheless, the highest amount allocated to BSR was between R40 000 and R200 000 annually (see Table

7.36). According to Argandoña (2010), BSR has costs that tourism businesses cannot always afford. As a result, tourism businesses commit themselves to activities that they can afford or integrate in their core business activities. The most commonly identified BSR expenses were donations and environmental projects, with education and training focusing on the sponsorship of school sports. These activities can be accomplished easily with reasonable amounts of money. The researcher further assessed the estimated monetary value of the surveyed tourism companies' BSR activities.

9.3.2.7 Perception of BSR's Estimated Monetary Value

Monetary value is the amount the product or service would be worth had it been sold for cash. In this section of the study, the researcher assessed the value of those in the tourism industry assign to BSR activities. Table 7.37 indicates that the majority of the tourism business representatives did not respond for the same reasons reported in Section 8.7.1 above. Nonetheless, most respondents mentioned a BSR expenditure range of between R1 000 a R50 000. The results confirm that in South Africa, a minimal amount, if anything, is budgeted for BSR activities. Tourism businesses do not believe they should spend large amounts on BSR. This explains several phenomena associated with the industry, including the low salaries and wages, seasonal employment and poor benefits.

9.3.2.8 Employment Quality and Racial Matters

Figure 7.3 indicates that after ten years of reporting on employment equity in the country, there are fewer White workers in the private sector. Black workers were the most common racial group in the surveyed tourism businesses, followed by Coloured workers. This indicates a concerted effort in the industry to fight unemployment, which affects mostly the Black and Coloured populations in the province. Although this shows a positive contribution towards employment, it does not correspond to Statistics South Africa's (2014) findings that the Black racial group has the highest unemployment rate in the province (54 per cent).

However, the fundamental question of this study relates to the quality of employment created by the tourism industry. The information in Figure 7.4 shows that racial inequality in relation to top management position still exits. Thus, although the results

in Figure 7.3 indicate that most of the employees are Black, few reach senior positions. There is a predominance of White workers in senior positions, followed by Coloured and then Black employees. Hence, the information indicates that although the surveyed tourism businesses had more Black and Coloured employees, these racial groups did not hold management positions. This supports Desai's (2003) argument that in South Africa, only Black elite professionals enjoy promotion in the workplace through the application of affirmative action quotas.

Table 7.34 illustrates that more than half of the respondents were general managers. Most of these managers were involved in the administration of BSR, but few were found to be involved in decision-making or BSR policy formulation processes. The present racial classifications of those in top management positions are as follows: Indian people occupy 3.1 per cent of positions, Black people 3.2 per cent, Coloured people 11.8 per cent and White people 79.5 per cent (CEE, 2012). The consequences of the increase in the employment of disadvantaged groups that are kept in lower level employment have substantial effects on policy issues and formulation in South Africa.

It is likely that BSR policies that suit only White top management would be formulated and implemented in the Western Cape. From the results, it emerged that few surveyed tourism businesses considered BSR as one of the functions of senior management. As discussed previously, many tourism businesses in South Africa have not yet integrated BSR into their core business strategies, yet they claim core business values are the main driving forces of BSR, as seen in tables 7.13 and 7.39. The CEE (2012) indicates that, lately, affirmative action policies favour Indian employees over other previously disadvantaged groups in regards to top management positions.

9.3.2.9   Employment Quality and Gender Classification

Gender inequality remains a considerable problem in the province regardless of affirmative action promoting equality between the sexes. The CEE (2012) contends that the province's top management positions are held by either White male or White female employees, and that males occupy two-thirds (65.5 per cent) of the top positions. However, in relation to this study, Table 7.33 reflects a close relationship

between the males and females employed in the surveyed tourism businesses. The information indicates that the tourism industry is willing to employ women as a way of fighting the high unemployment rate, which Black women in the province feel keenly (Western Cape Government, 2002; Statistics South Africa, 2004). Therefore, this is a response to the national agenda of increasing B-BBEE compliance. The study further assessed the level of commitment of the surveyed tourism businesses to allocating meaningful jobs to employees to enable them to influence the socio-economic policies of the tourism industry.

9.3.2.10   Employment Quality and Status

The Department of Labour (2012) mentions increasing job losses due to contract termination, especially in the Western Cape, KwaZulu-Natal and Gauteng provinces. Conversely, the information illustrated in Figure 7.5 indicates that the respondents included more full-time employees than part-time workers. This situation can be considered positive in relation to BSR implementation processes. Full-time employment means increased job security for employees and their dependants and that these employees can dedicate their time to the delivery of service instead of searching for jobs. The only issue remaining is the fact that the majority of these employees, as seen in tables 7.4 and 7.34, are holding low positions that hinder their participation in the key decision-making of companies.

Furthermore, the implication of these findings is that White people, especially males, are the main beneficiaries of BSR because they hold most top management positions. Moreover, the owners of the surveyed tourism businesses were classified as management employees, which contributed to the high percentage in full-time employment. Nonetheless, this is a big step for the industry because the importance of South Africa's tourism in the creation of employment and livelihoods for the urban and rural poor was recognised only in 1996 through the formulation of the White Paper on Sustainable Tourism Development and Promotion in South Africa.

9.3.2.11   Employment Quality and Age Range

Although the Department of Labour (2012) shows unemployment as being high among the youth, the findings set out in Table 7.35 indicate that most surveyed employees were 21 to 30 years old. The results indicate a dominance of young

employees in the tourism study. The fact that experienced individuals either left the country after 1994 or leave work due to retirement is a problem the tourism industry and all other sectors in the country face. The young generation entering the job market is faced with challenges resulting from a lack of mentoring. Hence, a substantial gap exists between the skills required and the skills these young people have. This supports the view of the Department of Labour (2012) that experienced people are being subjected to a high level of job losses in the Western Cape, KwaZulu-Natal and Gauteng.

9.3.2.12   Tourism BSR Constraints in Developing Countries

The results in Table 7.23 indicate the main challenges reported by tourism businesses in the implementation of BSR. Recession and budget constraints were some of the key challenges mentioned. These issues determined whether a company would adopt CSI or BSR because in developing countries, such as South Africa, tourism businesses prefer CSI to BSR. In terms of CSI, the promotion of what is called 'BSR' programmes is considered an external activity; thus, a separate budget is allocated to execute BSR projects. Hence, the identification of fiscal challenges that limit the ability of tourism businesses to engage in BSR programmes is essential. These results align with the views of the King Report II (2002), Hamann (2003), Fig (2005) and Ndlovu (2009), which indicate that South African businesses generally prefer CSI to BSR (CSR). In addition, as discussed previously, the value of BSR is considered low and therefore government intervention through frameworks and regulations is important to promote sustainable BSR activities.

9.4   Tourism BSR and the Government Institutional Framework

This section considers the relationship between tourism businesses' actions and government frameworks. The government provides the regulatory framework, infrastructural support and positive attitude that contribute to the development of BSR, and tourism businesses are expected to demonstrate how they are adhering to the government framework. Therefore, the researcher investigated whether the activities of the tourism businesses surveyed addressed government regulations.

9.4.1 Awareness and Compliance with BSR Institutional Framework and Issues

Creating awareness is one of the government's main functions. Nevertheless, awareness alone may not be enough to promote BSR if tourism businesses do not comply with regulations. Table 7.6 shows an enormous gap between awareness of and compliance with BSR guidelines in the surveyed tourism businesses. Few tourism businesses (4.4 per cent) were found to be aware of and complying with these regulations. Globally, this situation exists because although the awareness of the BSR regulations has increased over the past twenty years, compliance remains voluntary. This is becoming a serious concern in developing countries where tourism BSR activities are less regulated than they are in developed countries. If they exist, they tend to serve the purposes of the elite while the poorest communities still suffer.

Table 8.9 indicates that those tourism businesses that were aware of and complied with BSR regulations agreed more strongly with the Responsibility factor (yes mean = 1.35) than those who were unaware (not aware mean = 1.57). There is a strong link between the responsibility and the awareness and compliance factors. Through awareness, tourism businesses are able to take responsibility for their actions. Awareness does not necessarily mean tourism businesses are responsible, but their responsibility levels are measured easily through their compliance.

Moreover, Table 8.15 indicates that the tourism businesses that were aware of and complied with BSR regulations were more transparent about their activities. As seen from the results in Table 8.18, awareness of and compliance with BSR regulations (mean = 1.94) also strongly influenced the tourism businesses in ensuring a balance exists between their interests and stakeholders' expectations. Awareness of and compliance with BSR regulations mean that tourism businesses use indicators that assist them to comply with regulations.

9.4.1.1 Awareness of BSR Global and National Institutional Context

The findings displayed in Table 7.7 indicate that there was little awareness of the government's BSR policies or standards on the part of the tourism businesses

surveyed. Since 1994, tourism businesses in South Africa have been requested to form part of BSR policy implementation processes voluntarily. The surveyed tourism businesses indicated that they were more aware of the involvement of both national and international tourism organisations and associations, such as the AA Council and African Footprint, in promoting BSR principles. The role of tourism organisations and associations should not be underestimated in the BSR discourse, especially in developing countries and South Africa in particular. For example, in 1998, South Africa attracted private investments, stimulated entrepreneurship and encouraged privatisation, especially in the airline business, by following the WTTC's advice. Concepts related to green tourism, job creation, poverty alleviation and B-BBEE promotion have all been central to the philosophy of the WTTC.

The results of the current study confirm the influence of tourism organisations and associations in promoting BSR regulations and policies in developing countries. Because scant attention is paid to the legal aspects of BSR in developing countries, organisations and associations at international and national level are at the forefront of BSR implementation. Governments in developing countries are typically far behind in providing regulatory frameworks for BSR.

Three sustainability guidelines relate to social and environmental issues in South Africa: the GRI, JSE: SRI and SANS 1162 or the National Minimum Standard for Responsible Tourism (NMSRT). However, the respondents mentioned none of these. As indicted in the results, even at national level the respondents were more aware of AA Council BSR regulations than B-BBEE guidelines, regardless of the government's efforts to institute B-BBEE in the tourism industry and the establishment of SANS 1162 in 2011.

In addition, the global lack of awareness of the social dimension of BSR remains problematic. ISO 26000 on social responsibility was established only in 2010, and this guideline has its own limitations, such as its focus on environmental issues. Although large tourism businesses are concerned about environmental issues, small tourism businesses rarely have adequate resources to add environmental issues to their portfolios.

9.4.1.2 Compliance with Global and National Institutional Frameworks

Table 7.8 illustrates the findings regarding the surveyed tourism businesses' levels of BSR policy compliance. The information indicates a low level of compliance with national and international regulations in the Western Cape Province with the exception of B-BBEE. The results support the arguments of Juggernath *et al.* (2011) and Ramlall (2012), who contend that B-BBEE and the Employment Equity Act of 1998 are the only legislations positively affecting the country's socio-economic development. The King Report II (2002) further indicates that South Africa's businesses do not comply with international standards, such as the AA1000 Standard and the Global Sullivan Principles on BSR.

The low level of BSR compliance stems from the voluntary nature of BSR. However, performance is poorer in developing countries due to the lack of regulations and measures taken to promote BSR. In Britain, for example, the government is committed to BSR to the extent that a minister of BSR was appointed. This is not the case in South Africa and other developing countries. Moreover, although there is a significant degree of B-BBEE policy compliance evident in the results, B-BBEE forms a single segment of BSR. In South Africa, B-BBEE is a prioritised socio-economic government policy currently regarded as separate from BSR and perceived as an economic incentive for businesses. As such, B-BBEE imposes a moral as opposed to legal obligation on tourism businesses, and B-BBEE alone may not be able to strengthen the positive impacts achieved in the tourism industry. Another danger in the prioritisation of B-BBEE over other BSR elements is that it promotes dependency. B-BBEE should not be a long-term strategy, and tourism businesses should be assisted to move from having B-BBEE status to having multi-corporation titles after a set timeframe to achieve the sustainability of B-BBEE as part of BSR.

Furthermore, BSR is generally less formalised in developing countries. If it is formalised, it is by large tourism businesses. In developing countries, such as South Africa, the BSR pyramid positions legal responsibilities on the third level of the pyramid, with philanthropy on the second tier immediately after economic responsibility. In addition, South Africa uses the 'apply or explain' approach. Thus,

tourism businesses are encouraged not necessarily to comply with BSR regulations, but to consider them as principles for which recommendations and detailed information are expected.

The divide between regulations and business voluntarism is unclear. Poor compliance results from the lack of government monitoring or follow up to assess whether reports submitted in terms of the Companies Act of 2008 reflect what businesses are actually doing in relation to BSR. The results of this study support this view because some tourism businesses considered themselves donors, yet communities expect partnerships. Nonetheless, the Act stipulates that every business must elect a social and ethics committee responsible for monitoring and reporting BSR activities. Through this, BSR compliance may increase in individual tourism businesses and in the country in general. Presently, there are numerous reasons for the lack of BSR compliance, as discussed in the section that follows.

9.4.2 Non-Compliance with Tourism BSR Regulations and Standards

The majority of respondents (see Table 7.42) could not give reasons for their non-compliance with BSR regulations. This is unsurprising because BSR is a voluntary exercise and regulations are minimal. This supports Fig's (2005) argument that the South African government does not apply adequate pressure to motivate the tourism industry to engage in BSR activities. The 8.3 per cent of the respondents who agreed that government monitoring processes are weak mentioned the lack of BSR information as a major reason. The results from the government key informants in Table 7.41 further support this, with 60 per cent having indicated that there are no relevant departments or sections responsible for BSR implementation.

Furthermore, Table 7.41 indicates that no sanctions are imposed on the tourism businesses that do not comply with BSR policies, while incentives benefiting those

who do practice BSR are rare. Hence, another significant finding is that the tourism business owners complained that their businesses are too small for them to look beyond the survival imperative to BSR issues. Because the government does not provide financial incentives to promote BSR, the responses indicated non-participation in BSR activities. Additionally, there is no legally binding global code of conduct compelling TNCs in the tourism industry to engage in BSR activities.

9.4.3   Perception of Tourism BSR Self-Regulation and Enforcement

The information in tables 7.43 and 7.44 indicates that most of the respondents prefer BSR to be self-regulated, and the tourism businesses would like BSR to be a voluntary and self-regulated activity. Tourism businesses that held this position were those who were not practising BSR. It gives them the flexibility to make choices about BSR activities and to discontinue them if they wish to do so. Tourism businesses that are currently complying with BSR regulations, on the other hand, were positive towards the enforcement of BSR. They felt that it would be unfair for some tourism businesses to engage in BSR while others do not. Table 7.45 indicates those who believed that BSR should be enforced.

In Africa, the legal infrastructure is generally poor, overburdened and lacking independence and resources. This is possibly one of the reasons that respondents indicated that they preferred self-regulation. Another possible reason for the division in relation to enforcement and self-regulation is the level of dependency on government dealings, contracts and tenders. The results in Table 7.41 indicate that 60 per cent of government key informants agreed that BSR is included in their procurement policies. Those that were in favour of the enforcement of BSR were already doing business with the government and therefore were forced to comply as part of government procurement policy. Those that are not currently involved in government tenders do not see the need for enforcement.

9.5 An Alignment of BSR to National and Provincial Socio-Economic Barriers

This section is intended to provide a connection between the tourism businesses' activities aligned to the challenges the Western Cape and the country as whole face. It includes a detailed discussion about the BSR activities identified from the country and province's socio-economic perspectives.

9.5.1 Socio-Economic Impediments and Tourism BSR Activities

Tables 7.11 and 7.12 list the variety of BSR activities carried out by tourism businesses. The government response (Table 7.41) shows that most of the tourism businesses participating in BSR are accommodation establishments and tourist attractions. Tour operators and airlines report the least activity, but have significant negative impacts on society and the environment. The findings in Table 7.11 further reflect Dzansi and Pretorius's (2009) view that most community benefits derived from BSR are in the form of charitable contributions, employee volunteer programmes, education and local employment projects, including product safety, support for community organisations and disaster relief. They argue that donations by tourism businesses tend to dominate the pro-poor element of tourism BSR activities. In Africa and other developing countries, philanthropy appears second on the BSR pyramid. It is considered the norm, in contrast to developed countries where philanthropy is placed at the bottom of the BSR pyramid.

The findings of the study also show that there is a discrepancy between tourism business activities and community perceptions. Table 7.24 indicates that community organisations identified volunteerism as tourism businesses' main BSR activities, while businesses mentioned donations and environmental activities. The community organisations surveyed identified business partnerships as the main type of relationship established between tourism businesses and local communities, followed by donations from businesses as BSR activities. This contradicts the findings in Table 7.5 where tourism business representatives indicated donor as the main relationship and in Table 7.12 where environmental activities were identified as

the main BSR activity, although donations were also highlighted. In addition to this, the communities identified the benefits derived from environmental conservation and education programmes instigated or offered by the businesses.

Furthermore, the researcher found that the foreign-owned tourism businesses particularly favour volunteerism as a tool for engaging in BSR activities. This approach has the disadvantage that the government cannot progress its BSR agenda if it has no control over the actions of tourism businesses. Developing countries and poor local communities continue to rely on the goodwill of private businesses to address some of their social and environmental problems. There is also lack of awareness in local communities regarding the opportunities available from the industry. Few stakeholders are prepared to approach tourism businesses for support in finding employment and providing social amenities. This is problematic because tourism businesses are relying on and mostly responding to stakeholders' requests to see the need to engage in BSR.

The Western Cape's greatest socio-economic challenges include unemployment, lack of access to urban services and opportunities, high transport costs and a lack of infrastructure and amenities, such as water and electricity, housing services and other basic amenities. In addition, numerous people live with disabilities, with sight disabilities being the most prevalent. Stakeholders and communities should bring some of these challenges to the industry's attention because BSR pro-poor programmes need to attend to these issues. The tourism industry in this province should align its BSR activities directly to the grassroots realities, which currently is not the case, as seen in Table 7.11. The researcher maintains that if philanthropy is being considered, it should be carried out to address the real social issues of the society concerned. The imperative of relating concrete activities to realities (ontology) is one of the hallmarks of critical realism central to this study.

Table 7.11 further shows that the tourism industry prioritises education and training, while communities located near the tourism businesses rated education needs as the second most pressing issue. However, there is a substantial difference between the education obtained at public primary and high schools and that obtained at private schools. Private schools are considered to offer higher quality education, but

only the elite in developing countries can afford private schooling, and the poor continue to send their children to neglected public schools. The South African government provides bursaries, but mainly at university level. By this stage, it is too late to make a difference because the majority of the South African youth do not pass matric. The South African Education Statistics Department (2005) indicates that only 34.6 per cent of the population in the Western Province had completed high school in 2003. Although some of the tourism businesses make provision for employees to further their education, this becomes costly, especially for SMMEs. If education supported by tourism businesses starts at an early stage, it may reduce the costs of employee skills development.

The success of BSR implementation also depends on the level of education in communities managing various NGOs and organisations. The results in Table 7.24 indicate that the majority of members of community organisations completed only secondary education. The danger of this situation is that the members may not be in a position to understand and interpret both government and business policies that address their organisations' needs. As indicated and discussed earlier in Table 7.22, the findings show that tourism businesses assist stakeholders and community members that approach them because there is no formal selection of BSR stakeholders. To approach tourism businesses, community organisation need to understand the core values of the businesses, which is difficult if their managers lack education.

This study additionally showed little commitment to local infrastructure and IT development from tourism businesses. This supports Taru and Gukurume's (2013) argument that few South African tourism businesses are involved in the development of community infrastructure projects due to the lack of relationships between tourism businesses in the Western Cape and other sectors, such as IT, transport and agriculture. Tourism businesses tend to invest in activities that relate to their business interests in some way.

The surveyed tourism businesses made it clear that they did not want to engage in BSR activities that local communities might reject and agreed that tourism businesses should study the needs of local communities before deciding on their

pro-poor BSR activities. It was observed that many of the disadvantaged communities face major issues with transportation between their workplaces and residential areas, yet no BSR activities addressed this problem. An intervention by tourism businesses through the donation of buses to the workers in such areas, for example, could make positive changes to the lives of those concerned. It is important for tourism businesses to understand the environments in which they operate. Such understanding could encourage tourism pro-poor development in deprived regions in the Western Cape.

Moreover, some of the surveyed tourism businesses' lack of involvement in the province was found to be due to the perceived belief that the province's economy is stronger than those of the other provinces of South Africa are. The tourism industry is growing faster in the Western Cape than it is in other provinces except Gauteng. Consequently, some of the tourism business owners stated that they did not feel obliged to engage in BSR activities. The reality, however, is that only an insignificant percentage of the communities in the province are prosperous. The high levels of poverty, unemployment and inequality in the Western Cape provide a significant opportunity for tourism businesses in the province to engage in more BSR activities. The researcher elaborates on this in the next section.

9.5.2 Socio-Economic Impediments and Specifications of Tourism BSR Activities

Ethical, legal, social and environmental considerations are central to tourism BSR evaluation processes. Open-ended questions were used to obtain information from the relevant stakeholders regarding these variables. Table 7.12 indicates that environmental activities (the environment dimension), which include the efficient use of electricity and the recycling of paper, were a key BSR element of the surveyed tourism businesses. Environmental activities are undemanding and businesses see and feel their impacts easily. Moreover, there has been an increased awareness of environmental issues internationally and nationally. The results in Table 7.41 support

this: 80 per cent of the government officials surveyed agreed that their various multi-stakeholder dialogues typically revolved around environmental issues.

In addition, South African environmental policies, such as the National Environmental Management Act (Act No. 107 of 1998) and the Mineral and Petroleum Resources Development Act (Act No. 28 of 2002), have contributed to the repositioning of the environmental component in BSR analysis, as indicated in Table 7.12. The commitment of erstwhile Tourism Minister Marthinus van Schalkwyk to global environmental issues in 2008 played a major role in promoting environmental awareness in South Africa's tourism businesses. Furthermore, the success of the COP17/CMP7 held in Durban had significant positive effects on the environmental dimension of BSR in the tourism industry, and the White Paper on Tourism of 1992 strongly supported environmental issues.

Table 7.12 further indicates that tourism businesses contribute to sponsoring school sports activities and provide bursaries to employees and their children. The interests of tourism businesses in promoting school sports activities can be linked to the awareness generated about sports before and after the successful hosting of the 2010 FIFA World Cup. In 2014, former South African president FW de Klerk encouraged the nation to support all sports activities in South Africa and not only soccer and rugby. The former president further indicated that different sports can be hosted simultaneously at the same stadium, thus increasing social inclusion while promoting variations in sports (24th South African Football Association (Safa) Annual Congress, 2014).

Although tourism businesses provide bursaries, they remain reluctant to use these bursaries for better education at private schools. Most of the tourism businesses surveyed claim that they practice BSR because it is the moral thing to do, not because they have a lot of money. Hence, they claim not to be able to afford bursaries that would allow disadvantaged children to attend private schools. In the absence of a regulatory body to assess or influence the level of BSR impact in South Africa, it is becoming extremely difficult to quantify BSR impacts. South Africa has a skewed participation of its people in the economy resulting from the imbalances in the quality of education in primary and high schools. Children from affluent families

who attend private schools are more likely to find employment in sectors where communication and confidence are crucial, such as media and broadcasting.

In addition to participating in education and training, the researcher found that tourism businesses in the Western Cape frequently make donations, especially when residents experience disasters, such as severe winter cold, floods and fire. The shacks in the informal settlements of the Western Cape consist of informal building materials (for example, boxes, plastic and wood), which are susceptible to severe damage during storms, floods and other natural events. The residents in such settlements often look to the business community for help. A joint donation and relief programme should be developed to deal with natural disasters in the area. Some of the donations, such as food and clothes, although indicated in Table 7.41, should not be encouraged as they promote dependency. Instead, organisations need to be motivated to source their own food and clothes or make provision for disasters.

Moreover, safety and security issues, which are central to BSR analysis, were identified. The late former president Nelson Mandela was strongly associated with this aspect of business operations. In 1995, Mandela requested businesses to incorporate safety and security issues in their business plans. As such, the Security Industry Regulation (2014) asserts that many businesses in the country have since recognised this component as a successful BSR initiative. However, this component was found to be a low priority in most of the surveyed tourism businesses.

Some BSR activities identified by respondents were found to be important in promoting community-based projects between tourism businesses and local communities, but were rated insignificant by the tourism businesses. These include the use of locally made products, small business development and Fair Trade membership. In relation to Fair Trade membership, Van der Merwe and Wocke (2007) advise that the FTTSA needs to make it easy for business to become members. Other BSR initiatives the study indicates have the potential to build relationships in local communities include baby projects for teen mums, the establishment of rape counselling centres and building toilets for public schools. The distribution of open toilets to some of the townships in the province has been a burning issue in the media. Tourism businesses in the province could be more alert

about social issues such as these and intervene. Currently an attempt by some communities to vandalise colonial statues that are associated with apartheid government poses a major threat towards the future of heritage tourism in this country. Local communities that rely on heritage resources for their survival will be affected. There are also xenophobic attacks which threaten the tourism industry. The tourism industry should be in the forefront to provide solutions, therefore assisting government to manage such crises.

At present, HIV/AIDS is considered a significant global and national socio-economic problem, yet the tourism industry is not treating it as a BSR priority, as seen in Table 7.41. Although the province has the lowest HIV prevalence among women attending antenatal clinics in the public sector (12.4 per cent), the tourism industry should prioritise HIV/AIDS. Additionally, the research findings in terms of the social equity and pro-poor variables indicate that tourism businesses' commitments cover a wide range of activities, including lowering the prices of accommodation for employees. The discussion that follows addresses businesses' levels of BSR commitment.

9.6 The Degree and Level of BSR Commitment in the Tourism Industry

The seven subjects of ISO26000 on social responsibility, namely organisational governance, human rights, labour practices, the environment, fair operating practice, consumer issues and community involvement and development, were used to analyse the results. The researcher also completed the analysis in relation to the four identified factor loadings in tables 8.1 and 8.2 to identify the hidden factors and their associations with the observable variables used in the analysis.

9.6.1 Level of BSR Commitment to Internal Tourism Business Stakeholders

Table 7.14 indicates high levels of agreement with most of the subjects. Three of the seven subjects of ISO26000 on social responsibility were identified, and the results show moderate agreement on the first subject, *organisational governance*. The responses indicate that the surveyed tourism businesses had systems in place that ensure, for example, that employees' work-life balance is maintained and that

teamwork is encouraged. The findings also indicate that senior managers were responsible for BSR implementation and that the ability of individuals to improve was evident through promoting training and teamwork.

In terms of **human rights**, the researcher found that discrimination was discouraged in the tourism businesses. The findings also show that tourism businesses adhered to **labour practices**, especially those related to health, safety and welfare issues. The results in Table 8.1 reflect the level of accountability and responsibility in relation to BSR activities. Thus, teamwork and management participation were the main BSR indicators for accountability in the surveyed tourism businesses. The inclusion of employees in discussions and skills development are main indicators for the Responsibility factor.

9.6.2 Level of BSR Commitment to External Tourism Business Stakeholders

Table 7.15 displays the findings regarding respondents' views of the effects of BSR on the external markets of their businesses. Three of the seven subjects of ISO26000 on social responsibility were also identified. The first is the **fair operating practices** variable. The respondents agreed that their businesses ensured honesty and quality in their products and contracts with customers and that their suppliers always had adequate information. Regarding **consumer issues**, respondents agreed that customers' complaints were resolved timeously and suppliers paid on time. On the third variable, **community involvement and development**, respondents agreed that dialogues with local communities took place regularly. However, the results show that respondents did not feel that these tourism businesses provided training for local communities or that businesses encouraged employees to participate in local community activities.

Table 8.1 highlights that community dialogues and employees' participation in community projects are the main indicators of BSR and shows the level of transparency the tourism industry is willing to undertake. Transparency refers to openness about decisions and activities that affect society, the economy and the environment. This factor indicates that tourism businesses disclosed known and

unknown activities and effects in a clear, accurate and complete manner and to a reasonable and sufficient degree. This information should be readily available, directly accessible and understandable. Table 8.2 further indicates that paying suppliers on time and providing good quality are the main indicators of practicing fairness. It is clear from the results obtained in tables 8.1 and 8.2 that although the subjects of ISO26000 on social responsibility are well defined in the tourism industry, the BSR indicators and their levels differ.

9.7   Tourism BSR Policy and Development Dialogues

In this section, the researcher intended to determine the internal BSR policies generated by the tourism businesses and their intensions of engaging in tourism development through their application of BSR.

9.7.1   Tourism BSR Policies and Alignment to the Provincial BSR Regulations

Table 7.9 indicates that the majority of the surveyed tourism businesses agreed to embrace BSR policies that can positively affect the Western Cape. However, as indicated in Table 7.40, the respondents related their BSR policies largely to the government's B-BBEE policy and the Eskom Awards systems. This indicates a massive shortage of BSR regulations initiated by the provincial government. It is impossible for individual tourism businesses to formulate sustainable BSR policies and activities in the absence of provincial BSR policies. Conversely, Table 7.41 indicates the responses from the provincial government tourism departments and agencies, where responsible investment and responsible tourism policies were the only soft laws identified to regulate BSR activities in the province.

Some of the BSR guidelines, such as the Global Code of Ethics for Tourism, appear in numerous provincial tourism policies, including the provincial tourism white paper, yet the government representatives surveyed did not identify them. In some cases, even if the general microeconomic policies have been formulated, government officials are either unaware of them or unable to interpret and implement them. The main reason for this is that in many developing countries, including South Africa, independent consultants formulate government policies because they have skills and

experience government officials lack. Often, consultants are individuals who resigned from government positions to pursue careers as consultants to increase their income.

The government representatives also agreed, as indicated further in Table 7.41, that government guidelines and policy are unclear. Nevertheless, the results of the study show that the government expects tourism businesses to adhere to BSR policies. In this study, the researcher aimed to establish who is responsible for the awareness of and compliance with BSR policies. Table 7.41 indicates that 80 per cent of the government officials surveyed agreed that there are no measurements in place to evaluate the impact of BSR on communities. The following section offers an examination of the extent to which senior management influences internal BSR policies.

9.7.2 The Effect of Senior Management on Leading the Policy – Making Process

The results in Table 7.10 show relatively positive BSR internal policymaking processes, and senior officials or managers were responsible for creating these policies. The King Report II (2002) and Lindgreen *et al.* (2009) indicate that South Africa's managers generally perceive BSR practices positively. Moreover, Scott (2011) mentions that some stakeholders may benefit from policy making, while it is detrimental to others; hence, the focus of the current study was on the theory of neoliberalism and its effects. The results further confirm the skewed legacy of the affirmative action policy in the Western Cape - only the elite and those with political connections benefit from tourism. This supports Fig's (2005) argument that only the elite, or those in high government and tourism business positions, benefit economically in South Africa because they design policies in their own interest. As a result, some socio-economic policies promote foreign products and labour over local ones. Currently, it is unclear how the tourism businesses identified and selected their BSR stakeholders, as discussed in the section that follows.

9.7.3 Identification of Tourism BSR Stakeholders

As Dzansi and Pretorius (2009) indicate, large tourism corporations are more likely to choose outside stakeholders, while SMTEs also have their own preferences. However, the results show that employees were the most important stakeholders (as indicated in Table 7.21). This is in agreement with the belief of Bohdanowicz and Zientara (2008) and Dzansi and Pretorius (2009) that employees are supposed to constitute the most important stakeholders in tourism businesses from the BSR perspective. The majority of these employees were based in the Western Cape. However, there is poor or a lack of investment by the surveyed businesses in employees' levels of education and positions. Usually, multinational tourism businesses are reluctant to make meaningful contributions to the wellbeing of local communities.

9.7.4 Criteria for Surveyed Tourism Businesses' BSR Stakeholder Selection

In Table 7.22, the findings reflect a large number of BSR stakeholder selection criteria. In some instances, communities specifically requested or demanded to become stakeholders in companies. In others, problems such as discrimination and nepotism were identified as the underlying factors behind tourism businesses' responses. Taru and Gukurume (2013) argue that nepotism and bribery can influence decision-making processes for identifying BSR stakeholders. The owners of some tourism businesses were found to be ignorant about BSR distribution. Fig (2005) and Nyakunu and Rogerson (2014) have alluded to this situation.

At this stage, it is important to examine some aspects of BSR selection criteria. The International Organisation for Standardisation (ISO) (2010), for example, identifies six criteria that businesses could apply, namely identifying those:

- with legal obligations to the tourism business;
- possibly affected by the business's activities;
- previously involved with business;
- able to assist the business;
- possibly disadvantaged if excluded; and
- affected in the value chain of the business.

Based on the findings in relation to ISO 26000 (2010) BSR selection criteria, those possibly affected by tourism businesses are represented in the findings by the identification of significantly less privileged people and those located close to the businesses. According to Argandoña (2010), tourism businesses that lack clear BSR planning are likely to become discouraged and eventually discontinue BSR activities.

9.8 Improving the Implementation of and Compliance with BSR Regulations

Table 7.45 shows that a strong focus remains on the philanthropic aspect of BSR. The status and position of this component may not change unless the legal duty to implement BSR is strengthened. Furthermore, the respondents need to encourage greater collaboration between tourism businesses and stakeholders. This is important because there are currently few partnerships between large and small tourism businesses. The government of the Western Cape is in a unique position to improve its involvement in tourism BSR activities through research for purposes of monitoring progress in the province.

9.9 Proposed Model for the Implementation of Tourism BSR

As discussed in Chapter Three, this study is based on three theories, namely neoliberalist, stakeholder and critical realist theories. Neoliberalism promotes individual power while the majority, especially in developing countries such as South Africa, live in poverty. The gap between the rich and poor is widening, and tourism businesses have a major role to play in closing this gap. BSR encourages tourism businesses to assess the effects of their activities on all stakeholders, including the poor. To do this, BSR insists that tourism businesses critically evaluate the outcomes of their actions and define the costs and benefits of such actions.

Figure 9.3 illustrates the relationship between the three theories in relation to the implementation of BSR in the Western Cape in particular and South Africa in general. The model acknowledges that government socio-economic policies often favour the elite; hence, the neoliberal approach is questioned in the study. However, if well structured, this approach could benefit the poor. The researcher proposes that government policies should be driven by two considerations: an understanding of

how tourism businesses make their profits and how their activities affect stakeholders while they are making their profits. Governments should assess the levels of effects of tourism businesses on the stakeholders concerned, which is achievable if a strong positive relationship between government and the tourism businesses exists and is maintained.

The stakeholders should understand the type of relationships that should be forged to promote sustainable development. Even under the neoliberal mode of development, reforms can be made to ensure that the economic winners (the tourism businesses) establish positive relationships with stakeholders, including employees, communities, customers and suppliers. A constant review of BSR policies is required to ensure that not only the elite but also broader society benefit from policymaking. Public education programmes are necessary in this regard to highlight the concept of connectedness in social life. The model below illustrates the central position of relationships in the BSR agenda. It indicates that sustainable development can be achieved by maintaining harmonious relationships.
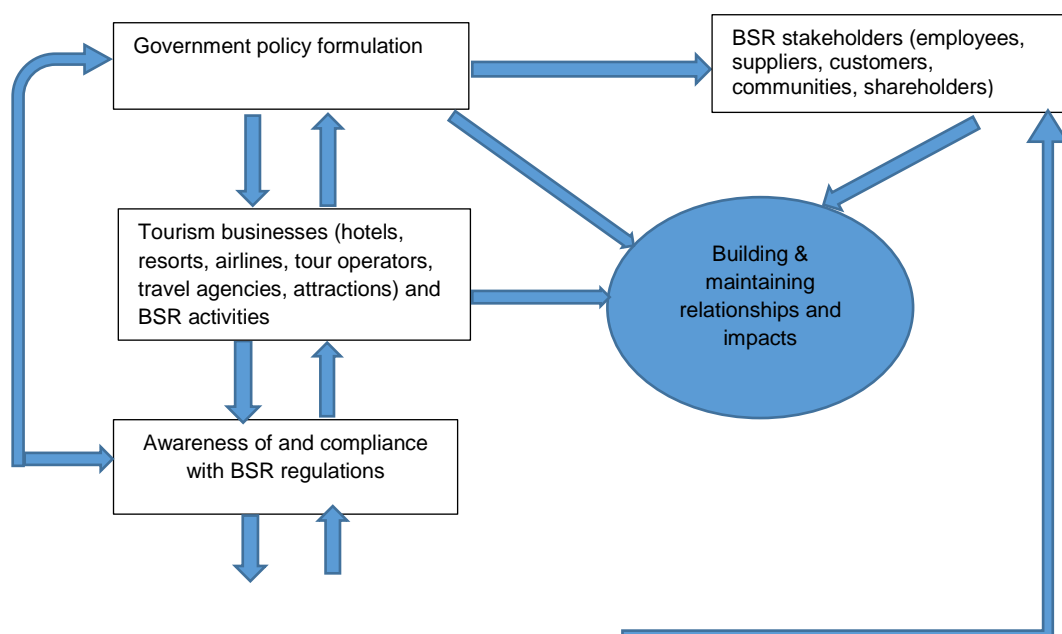
Appointment of NGO or independent government body responsible for BSR implementation

Figure 9.1: Model for the implementation of tourism BSR (Author 's work)

9.10 Chapter Summary

Chapters Seven and Eight represent the first and second phases of the presentation of the findings. The pieces constitute the raw materials for Chapter Nine, where the findings have been presented in forms based on relationships between the issues discussed in chapters Seven and Eight. The main technique used in Chapter Eight involves multivariate methods, such as factor analysis. The general aim of this technique was parsimony, specifically the reduction of variables in a data matrix form that reflect the general patterns and characteristic of the variables, such as those discussed in this chapter. The multivariate techniques used in Chapter Eight helped to reduce the apparent problem of multi-colinearity or information overload evident in the data disclosed in this chapter. Based on the findings of the study, this chapter offers a presentation of a BSR model that could be applied to address the problems in the Western Cape Province and South African tourism industries. Chapter Ten presents a summary of the findings.

Chapter Ten

Summary of the findings

10.1 Introduction

It is more than two decades since the theories of sustainable and responsible tourism development emerged and gained support. The importance of individual tourism businesses justifying their existence while helping governments fight poverty, unemployment and inequality is an ongoing debate. Tourism industry codes of conduct were established to assist tourism businesses in addressing the sustainable tourism agenda. In South Africa, tourism has been identified as one of the priority sectors, and the magnitude of tourism's economic, social and environmental impacts is recognised globally. Tourism contributes approximately 10 per cent to the world's economy, and it is acknowledged that tourism's influence on economic growth affects communities and the environment.

The research statement of the study stated that although the researcher acknowledges the involvement of tourism businesses in social responsibility initiatives, little is known of the extent of BSR's effects on communities. The key research questions were identified as follows:

- What is the extent to which the Western Cape tourism industry's BSR policies and initiatives contribute to poverty alleviation, reduction of unemployment and inequality while promoting empowerment?

- What is the nature of the Western Cape Provincial Government's tourism BSR policies?

- How can the tourism businesses in the province be classified based on their awareness of and adherence to BSR policies?

- What are the key characteristics of Western Cape tourism activities in terms of their economic, social, environmental, spatial and other impacts?

- How are these related to broader provincial development plans or programmes?

- What are the problems facing the implementation of tourism BSR policies in the Western Cape?

The primary aim and objectives of the study were established in light of the research statement and research questions. The main aim of this study was to assess the extent to which tourism BSR activities contribute to empowerment, poverty alleviation, reduction of unemployment and inequality. The researcher investigated the extent to which tourism businesses make a meaningful and measurable contribution towards sustainable development through BSR activities. The research objectives of the study were then identified and presented as follows:

- To assess the extent to which the Western Cape tourism industry's BSR policies and initiatives contribute to poverty alleviation, reduction of unemployment and inequality while promoting empowerment.
- To describe the nature of the Western Cape Provincial Government's tourism BSR policies;
- To analyse the key characteristics of Western Cape tourism activities in terms of their economic, social, environmental, spatial and other impacts;
- To disclose how these characteristics are related to broader provincial development plans or programmes;
- To indicate how the tourism businesses in the province could be classified based on their awareness of and adherence to the BSR policies; and
- To discuss the problems facing the implementation of the tourism BSR policies in the Western Cape and make recommendations based on the findings.

Subsequently, the researcher evaluated the extent to which tourism businesses practice social responsibility and promote empowerment in the Western Cape Province of South Africa. In addition, the extent to which BSR policies were being implemented to conform to the relevant policies of the country was investigated. The spatial distribution, size, nature and impact of tourism BSR activities were identified as the main variables to measure the level of tourism BSR commitment within Western Cape tourism businesses. Based on the results that emanated from the analysis of primary and secondary data, a model for tourism BSR impact assessment (Figure 9.1), and evaluation was established as a framework for action.

The key argument in the study was that the sustainability of BSR implementation dependents largely on stakeholders' interpretation of BSR. Socio-economic policies

at the real level influence the interpretation and degree of stakeholder participation at the actual level, which is then experienced at the empirical level. This chapter summarises the findings of the study and recommendations in terms of the key findings, objectives, framework and literature review of the study are presented in the next chapter to follow.

10.2 Summarised Findings of the Study

The presentation of the key findings of the study is approached in relation to the objectives of the study. The stakeholder theory, which informed the study's framework, holds that studies should focus on how stakeholders interpret policies to produce different outcomes. The extent or effects of these interpretations should then be gauged and analysed at the empirical level. Hence, the researcher applied the theory of critical realism to formulate the framework of the study, as discussed in the section that follows.

10.2.1 Western Cape Tourism BSR Policy Framework

The examination of the Western Cape tourism BSR policy framework addresses three main objectives of the study: to provide a description of the nature of the Western Cape Provincial Government's tourism BSR policies; to indicate the classification of tourism business based on their awareness of and adherence to the BSR policies; and to discuss the problems facing the implementation of tourism BSR policies in the Western Cape. The findings of the study indicate that the tourism businesses surveyed perceived the Western Cape Provincial Government's tourism BSR policies as aligned with B-BBEE and the Employment Equity Act of 1998. Moreover, tourism associations and organisations, rather than the government, play a major role in shaping the tourism BSR policies in the province. After reviewing the findings, the researcher is of the opinion that the formulation of BSR policies in the country and specifically the Western Cape is shaped largely by the 'policymaking as a decision-making process' and 'policy as issue identification and management' perspectives.

Based on these models, tourism BSR policy issues in South Africa and the Western Cape Province are currently passing through the zone of indifference. Tourism

businesses recognise the issue of BSR, but do not feel compelled to act and hope that others will resolve the BSR issues. The implementation of the 'apply or explain' approach rather than the 'adopt or explain' approach by South African tourism businesses supports this view. This simply means that affected parties in South Africa value the principles of BSR and thus value the need to make recommendations and provide detailed information regarding the implementation of BSR more than they value BSR compliance. The problem with this policy perspective is that it is unclear how the issues and policies are identified and moved forward. BSR stakeholders hope that someone will eventually adopt BSR principles and rely on the media and the public to prioritise issues.

A strategic alliance is a solution provided tourism businesses stakeholders' perceptions remain unchanged. This may adjust the South African government's approach from low to high BSR priority issue identification. Currently the country does not have a single policy framework for regulating tourism BSR activities. Credible tourism policies should be formulated within the framework of trust, collaboration, social welfare and mutual understanding. Therefore, the researcher argues that the country's, and specifically the Western Cape's, socio-economic BSR policies should be formulated in terms of the 'policymaking as a socio-political construct' perspective. This approach focuses on how power, politics and community interests influence the identification of and action regarding tourism issues. All stakeholders should be included from the outset in explanations of how and why policies were formulated. Stakeholder theory was considered as a conceptual framework for this study because policymakers can apply different approaches. For example, policy communities and networks, which are sets of formal and informal relationships between actors and agencies that influence policy formulation processes, could be considered in South Africa.

The results of the study indicate a low level of compliance with global and local BSR regulations in the Western Cape Province, with the exception of B-BBEE. Both national and international tourism organisations and associations shape tourism BSR policies in promoting BSR principles. Government monitoring processes are weak and the lack of BSR information is a significant contributor to non-compliance.

Furthermore, the degree of BSR policy awareness in tourism businesses in the province was analysed. Table 7.6 shows an enormous gap between awareness of and compliance with BSR guidelines by the surveyed tourism businesses. Few tourism businesses (4.4 per cent) were found to be aware of and complying with these regulations. This analysis shows that the province's tourism businesses were aware of and recognised BSR issues but did not feel compelled to implement them, hoping that others would. BSR is considered an external activity that requires a separate budget. In addition, although the tourism businesses were aware of and adhered to BSR policies, most respondents referred to tourism associations and organisations rather than the government. The government focuses on B-BBEE, which constitutes a single element of BSR.

The awareness of and adherence to tourism BSR policies varied among the tourism businesses in terms of the types of owners and employees' demographics, such as racial groups and levels of education. The factor analysis technique was used to determine the relationships between certain independent and dependent variables. Four factors were generated, with two indicating the level of BSR policy awareness and adherence in internal stakeholders. These were Accountability (Factor 1) and Responsibility (Factor 2). The results show an increased level of BSR accountability among tourist attractions (mean = 10.3), White surveyed tourism employees (mean = 1.36) and those that report their BSR activities (mean = 1.32). In relation to Responsibility, the results of the study indicate that local tourism businesses owners (mean = 1.30) and Black tourism business owners (mean = 1.10) were more responsible in the implementation of BSR polices.

The two factors related to external stakeholders were Transparency (Factor 1) and Fairness (Factor 2). The results show that the respondents with degree qualifications (mean = 1.25) and White employees (mean = 1.16) were more willing to ensure transparency in BSR implementation activities. Furthermore, tourist attractions were more willing to ensure fair BSR implementation processes (mean = 1.26).

10.2.2 Tourism BSR Contexts and Western Cape Institutional Framework

The aims of the two study objectives were to analyse the key characteristics of Western Cape tourism activities in terms of their economic, social, environmental, spatial and other impacts, and to assess the actual BSR activities of Western Cape Province tourism businesses against the imperatives of provincial plans and programmes. In relation to the study objectives, it was found that there are only seven main areas in which the surveyed tourism businesses demonstrated their response to the province's plans and programmes through their BSR initiatives. These are employment quality and job status, employment quality and gender classification, employment quality and age range, reduction of leakage, infrastructure development, promoting social tourism, and social cohesion. First, the surveyed tourism businesses acknowledged the importance of employing local people. Second, the tourism businesses demonstrated their ability to secure permanent jobs for local people, which brings stability to tourism employees and loyalty to tourism businesses. Third, there is a close relationship between male and female employees in the surveyed tourism businesses, indicating that the industry is willing to respond to the triple challenges of the country, which are felt mostly among women. Fourth, the results indicate a dominance of young employees in the tourism businesses surveyed, which shows a response to the call to employ the youth. Fifth, tourism businesses were committed to using local products, which assists in reducing leakage while ensuring local prosperity.

Sixth, the tourism businesses demonstrated an ability to contribute to facility and infrastructure development through the upgrading of schools, employees' houses, toilets and streets. Seventh, the surveyed tourism businesses offered discounts to locals, supported community-based tours and provided free transport to local schools during school trips, thus supporting the model of social tourism in which local communities are encouraged to participate in tourism activities. This model promotes local business ownership and creates a sense of pride among communities. It allows locals to consume the tourism products in their area in the same way as tourists from outside do. As a result, locals do not see tourists as threats. Some businesses also support and are committed to promoting sports, which assists in the promotion of social cohesion.

The remaining BSR activities reported were found to be weak in supporting the provincial plans and programmes. These include raising education levels; collaboration between tourism businesses, government and communities; and reporting and evaluation of programmes. The results show that the level of education attained by employees in the tourism industry is extremely low; most employees had attained a secondary school level of education. This affects their ability to be part of decision-making in the tourism businesses and government. In addition, few tourism business collaborations were in place, especially with previously disadvantaged Black communities or business owners, which hampers development and empowerment in the industry. Because there are no formal or standardised reporting and evaluation mechanisms of tourism BSR activities, the real impact of tourism BSR is unknown. Moreover, the tourism businesses' core values were found to depend largely on the owners or management's moral stances to practicing BSR.

There is a high incidence of racially-based unequal distribution of tourism ownership. The statistics generated show that White people own 87.8 per cent of the surveyed tourism businesses, while Black people own a mere 4.9 per cent. Indian tourism business owners accounted for 4.7 per cent and Coloured entrepreneurs for 1.8 per cent. In addition, foreign-owned tourism businesses' levels of BSR commitment are unsustainable. Tests conducted during this study regarding the responsibility factor prove this theory. The results showed that respondents from locally-owned tourism businesses (local mean = 1.30) agreed more strongly than those from foreign-owned tourism businesses (foreign mean = 1.77) about being responsible for their business activities.

The key findings of the study reveal that most of the tourism businesses surveyed were SMTEs. A positive contribution to BSR is usually felt in large tourism businesses with over 100 000 employees. However, few of the large tourism businesses surveyed (15.8 per cent) were capable of employing more than 150 workers, and transformation in upper management positions is slow. The province's top tourism management positions remain in the hands of White males. BSR is considered a tourism business strategy of low importance; hence, it is allocated to junior tourism staff members, who are mainly Black, Coloured and Indian. A

balanced racial representation in tourism management positions could balance the employee profile with less bias towards particular racial groups.

Furthermore, the levels of understanding of and commitment to BSR differ across racial groups. For example, Black tourism business owners were more willing to take responsibility for their actions (mean level = 1.10). However, more White general employees agreed that businesses should take responsibility for their actions and effects on stakeholders (mean level = 1.22). In addition, the study's findings indicate that the implementation of business partnerships between people from different racial groups in the study area is a slow process.

In addition, the current CSI approach in the country means that BSR is considered an external activity. This limits the level of tourism businesses' commitment since a separate budget for BSR should be developed. The most significant BSR implementation challenges reflected in the findings were attributed to the global recession, budget constraints and government B-BBEE guidelines. The tourism business representatives did not think BSR should have a high value. This explains, among other things, the low salaries and wages, seasonal employment and poor benefits associated with the industry. Moreover, the surveyed tourism businesses are characterised by high involvement in donor relationships. Although donations form part of BSR activities, they promote dependency, and long-term plans, such as infrastructure development, require time and resources. The surveyed tourism businesses indicated short lifespans in most cases, yet BSR programmes require long-term planning and vision to be fully developed.

Table 7.16 indicates that the City of Cape Town Municipality contains a high number of the surveyed tourism businesses due to its high number of tourist attractions and superior resources. The results of the study show that tourism businesses social responsibility activities strongly affect popular tourist attractions. The areas far from such nodes do not benefit from the economic gains of tourism. Although the findings of the study do not address the needs of people who are physically disabled, numerous people in the Western Cape are disabled, with sight disabilities being the most prevalent type of disability in the province.

10.2.3 Complications Experienced in Implementing Tourism BSR in the WC

The literature review and findings of this study highlight numerous challenges in the implementation of tourism BSR processes in the province that could contribute to the Western Cape Government's (2002) contention that the province's tourism industry faces increasing pressure to deliver on its promises of economic empowerment and job creation. There is a lack of coordination between tourism stakeholders. As a result, it is difficult for the provincial government to identify where private tourism sector investments have been made. The surveyed businesses reported their BSR activities to too many government departments, which hampers any form of partnership and/or strategic interventions in the form of infrastructure provision or facilitation. Moreover, it hinders tourism private sector investment, thereby creating spatial polarisation patterns. There is also unequal distribution of tourism business ownership due to the lasting effects of apartheid policies and the current policies embedded in neoliberal theory. The findings of the study attest to this: the majority of the surveyed tourism businesses (87.8 per cent) were White owned.

In developing countries, such as South Africa, there is a reliance on philanthropic responsibility, which promotes dependency on developed countries. For example, instead of teaching the poor how to grow their own vegetables, philanthropists give them food. Making donations was the preferred BSR activity in the surveyed tourism businesses. As mentioned previously, there is too narrow focus on B-BBEE, yet government established guidelines in this regard. Additionally, tourism businesses prefer CSI to BSR. The application of CSI remains challenging because BSR activities are treated differently to businesses strategic activities, and they require a different budget. In support of this, 10 per cent of the respondents complained about the recession and 8.4 per cent mentioned budget constraints as the main problems hampering the implementation of BSR in the Western Cape. Furthermore, there is a gap between government socio-economic policy and implementation. Other challenges have also been pointed out under each of the objectives analysed. The next chapter provides the recommendations and conclusion for the study.

Chapter Eleven

Recommendations and Conclusion

11.1 Introduction

The chapter contains recommendations based on the conclusions drawn from the findings and objectives of the study. The researcher considered different ways in which the implementation of tourism BSR could add value to the poor communities in the study region. The focus of this study was two-fold: an analysis of BSR policies and an analysis of its implementation. In this section of the dissertation, the researcher proposes a conceptualisation and development model to make recommendations based on the outcomes of the study.

11.2 Recommendations Based on the Outcomes of the Study

11.2.1   Building and Maintaining Stakeholder Relationships

The recommendations support the proposed BSR model (Figure 9.1), presented in Chapter Nine of the study. The researcher is of the view that what constitutes the elements of implementation of the social responsibilities of a tourism business depend largely on the beliefs and perceptions of the stakeholders concerned. However, if a relationship with stakeholders is absent or weak, tourism businesses support only those stakeholders that are powerful and considered important.

The results of the study show that the main mixed racial ownership of tourism businesses was between people from the Coloured and White racial groups. The Coloured group constitutes most of the population and speaks mainly Afrikaans, while White people have more resources and experience in the tourism industry and many speak Afrikaans. An assumption can be made in this case that the lack of relationships with Black groups is due to language barrier (Afrikaans vs Xhosa). It is unclear what Black people possess that can add value to tourism business relationships with other racial groups, but there is an increasing need for tourism business partnerships with previously disadvantaged groups. Although the literature review indicates that the only Black South Africans who benefit from the neoliberal

approach are linked to the White political elite, the researcher contends that this might change in future. The 2012/2013 report by the CEE (2012) indicates an increase in the number of Black professionals and a decrease in their White counterparts. This could shift the involvement of Black people in the economy.

Furthermore, the findings of this study indicate an increasing donor component in BSR activities. The researcher encourages partnerships rather than donations because partnership has the potential to enable interactions between academics, businesses, social interest groups and unions. Thus, government should increase its facilitation of meetings and multi-stakeholder dialogues to strengthen partnerships between tourism stakeholders. The facilitation of meetings and multi-stakeholder dialogues can establish and strengthen relationships between stakeholders while changing the negative perceptions of BSR implementation processes. Some of the respondents who took part in the study recommended this strategy.

The current lack of coordination between stakeholders in the Western Cape Province affects the implementation of tourism BSR. SMTEs and local tourism businesses are afraid to develop relationships with large businesses. Hence, the periodic formulation of new policies to sustain the relationship between tourism business-based stakeholders is long overdue.

11.2.2 Increasing Awareness of and Compliance with Tourism BSR Regulations

BSR awareness raising as a government function requires attention. The findings of the study indicate a significant gap between the levels of awareness of and compliance with existing BSR tourism guidelines. Most of the tourism businesses studied indicated that they were aware of tourism BSR regulations, yet few complied with them because compliance is currently voluntary. In South Africa, there is a general lack of awareness of, and compliance with, BSR regulations and great emphasis is placed on B-BBEE compliance, including compliance with the Employment Equity Act of 1998. The findings of this study support this because respondents were more aware of B-BBEE regulations than other BSR policies.

Moreover, there is a lack of compliance with national and international BSR regulations. Compliance with the existing policies should be enforced to resolve the present issues. Authorities in the Western Cape need to formulate policies on regulating the implementation of existing BSR policies, and an NGO or independent government body fully dedicated to BSR awareness and implementation processes should be established. There should be increased implementation of and compliance with the three sustainability guidelines in South Africa, namely the GRI, the JSE: SRI and the SANS 1162. The findings of the study indicate poor performance in terms of awareness and implementation of these sustainability guidelines. Increased BSR implementation could be achieved in numerous ways, such as:

- Offering tax exemption for those who implement the policies;
- Instituting award schemes;
- Providing government incentives;
- Undertaking capacity building for SMTEs;
- Providing funding for research targeting BSR initiatives; and
- The government compiling a list of NGOs and their needs.

The researcher further recommends that tourism businesses review the adoption of CSI over BSR. The incorporation of BSR activities in tourism businesses' strategies could reduce BSR expenses. Thus, tourism businesses need to regard BSR as an internal activity in which they feel compelled to participate. In this regard, the researcher encourages the government to endorse laws and mandating instruments.

11.2.3 Humanising the Management Strategies and Evaluation of BSR Activities

The Western Cape's greatest socio-economic challenges include unemployment, lack of access to urban services and opportunities, high transport costs and a lack of infrastructure and amenities, such as water and electricity, housing services and other basic amenities, and local communities can depend on tourism businesses for skills training, jobs and incomes. The findings of the study indicate that most community benefits stemming from BSR are in terms of charitable contributions, employee volunteer programmes, education and local employment projects and

include product safety, support for community organisations and disaster relief. However, although many activities can be identified for BSR, how to do so is unclear.

Moreover, not all the BSR activities are effective in ensuring empowerment. For example, the ability of donations to address real social community issues has been questioned by many authors referenced in this study, yet it dominates pro-poor BSR activities. The results of the study indicate that tourism businesses made little impact on the provincial transport system, improving the quality of living of people with sight disabilities, Black empowerment and formal education. The researcher found that BSR budgets seldom include funds for furthering employees' formal education. In addition, foreign-owned tourism businesses mostly engage in volunteerism. This is a challenge because the government usually cannot intervene in the volunteerism process.

Furthermore, Makalipi (2014) states that after PPP failed to address the socio-economic issues in South Africa, three other programmes came into existence. These are B-BBEE, which is discussed extensively in the study, as well as the EPWPs and CDPs. According to Makalipi (2014), the latter two should be encouraged as they are more aligned to the objectives of BSR implementation, which are in favour of community empowerment. These two programmes address the problem of unemployment, but the proper management and monitoring of these two programmes should be considered. For example, people should be equipped with skills in areas in which they feel comfortable.

In the case of SMTEs, the recommendation is that business owners should be trained in business management, financial management and human resource management. Tourism entrepreneurs and owners of SMTEs who receive this training and skills development should be provided with certificates. This strategy should also apply when community members are trained on service delivery, conservation and similar subjects. Those who receive certificates should be registered in an identified system with the relevant database systems. The certificates could increase the participants' opportunities for eligible employment, even if of a temporary nature. Moreover, they would be paid accordingly, something that is currently lacking.

Furthermore, the researcher recommends that while this example fits well with BSR employment and skills development projects, all other identified BSR activities in the study should have their own programmes, in which EPWPs and CEPs have been modified to suit a particular tourism programme. The tourism businesses should be more creative and innovative in forming and shaping new BSR programmes to attract tourists. Designing a programme for tourism BSR activities could aid in establishing the various phases through which each BSR activity should go, which could make it relatively easy to test the sustainability of the activities. A programme simply means a plan; thus, the tourism businesses would be forced to have a clear concept of the way in which they would like the activity to unfold in the future.

At present, there are no standardised measurements of BSR performance. Therefore, tourism businesses need to develop their own criteria that relate to their circumstances. As discussed in Chapter Four of this study, questions could be developed to design individual tourism BSR programmes. These include:

- What is the desired outcome of the tourism BSR programme?
- What are the tourism BSR policies and planning regulations at the destinations?
- What are the institutional arrangements and political realities at the destination?
- What are the values of the key actors and institutions involved in the tourism BSR process?
- Who is in control of the decision-making process?
- What tourism BSR activity is selected, how is it financed and who operates it?
- Who benefits from the tourism BSR programme?
- How do the tourism BSR stakeholders benefit from this BSR programme?
- Can the tourism BSR programme contribute to national and provincial development goals?

Finally, most of the tourism businesses surveyed had been in operation for six to ten and sixteen to twenty years, periods considered relatively short in terms of BSR implementation processes. An investigation should be done to establish why tourism businesses operate for short periods.

11.2.4 Appointment of an Independent Body to Manage Tourism BSR in the WC

An important role of governments in BSR development and management is the strengthening of the BSR reporting system. The literature review shows that some of the large tourism businesses in the country report their BSR activities on the JSE. However, the percentage is extremely low. In addition to the involvement of the JSE in BSR, the findings of this study show that tourism organisations and associations are highly influential in promoting tourism BSR in the Western Cape, particularly organisations such as the AA Council and African Footprint. Therefore, the researcher recommends that an independent body should be appointed at the provincial level to manage BSR activities in the province. This would support the Companies Act of 2008, which requires tourism businesses to elect social and ethics committees to monitor and report their BSR activities. It could ensure that SMTEs, which currently constitute the majority of tourism businesses in the province, report their BSR activities. The proposed body should:

- advise the government regarding the review of tourism BSR policies;
- assist the provincial government with research;
- register and compile a list of NGOs; and
- monitor the tourism BSR programmes.

11.3 Suggestions for Future Research

The discussion of the impacts of tourism and the responsibilities of those involved in tourism development and management will continue as long as the industry exists. Numerous external factors hamper the implementation and regulation of BSR activities, and further research on BSR, regulations and tourism sustainability development needs to be encouraged. The researcher recommends further research studies in the following areas:

- An investigation of short-term tourism businesses' operations and the extent of their effects on BSR implementation;

- Understanding the causes of bias towards volunteerism as a tourism BSR activity in foreign-owned tourism businesses;

- The perception of the process of BSR reporting in South Africa in the tourism industry;

- The prevalence of BSR policy formulation activities that suit only the White top managers in the Western Cape tourism industry; and

- The researcher found that not all tourism businesses produce formal BSR reports. A comparative study on selected case studies needs to be done. This should be based on the perceptions and opinions of the businesses' employees and management regarding tourism BSR implementation and compliance compared to published tourism BSR reports.

11.4 Conclusion

Jain (2013) contends that tourism businesses are likely to pay more attention to stakeholders that are powerful and important. The study highlights the importance of employees as stakeholders in the tourism industry. A notable conclusion is that the surveyed tourism businesses valued employee retention more than the needs of other stakeholders, such as communities, customers and suppliers. Tourism businesses that value employee retention would probably focus on their employees, while those facing marketing problems would prioritise reputation and focus their energy on customers instead.

The study has shown that tourism BSR can be used to address the socio-economic problems in the Western Cape Province and established the extent to which the surveyed tourism businesses practice BSR. The results indicate that the following socio-economic outcomes have been achieved through various tourism BSR activities:

- economically, the surveyed tourism businesses have been able to address leakage from the province by using local products;

- there has been improved social tourism through the inclusion of locals in tourism;

- the tourism businesses in the province have been combatting the seasonality problem by ensuring that the local customers receive discounted prices, therefore boosting the demand during the off-peak season; and

- the tourism businesses combat competition through improved service delivery programmes. The improved service delivery processes are the result of retaining former employees to transfer knowledge while assisting in maintaining high service delivery standards.

BSR activities address social problems in different ways. The surveyed tourism businesses have minimised the phenomenon of social exclusion and discrimination through the promotion of sports. In addition, the promotion of sports has encouraged healthy lifestyles among the youth in local communities. The issue of job security for locals also has been addressed through the increased participation of local communities in tourism. This has improved the demand for tourism products that assure permanent jobs. Those tourism BSR activities that focus on the negative effects of tourism business operations on non-renewable resources, climate change and the ecological environment offer solutions for mitigating the environmental effects of tourism businesses. In relation to ethical considerations, the study indicates that some of the tourism businesses in the province focus on issues such as rape and teenage pregnancy.

Although the results show generally positive impacts on the part of the tourism businesses due to the implementation of BSR, some areas and issues need urgent attention. The problem of tourism businesses donating to local communities in the study area indicates an increase in dependency on tourism businesses from developed countries. The real source of positive tourism business impacts should be from the empowerment of the poor, not from dependency on the tourism industry. Moreover, the phenomenon of increasingly skewed management positions in the province, which indicates lack of transformation, is problematic. Similarly, inequality in local tourism business ownership remains challenging. Foreign-owned tourism businesses have more power and resources than locally owned tourism business, yet their BSR activities leave much to be desired. Additionally, there is still a dominance of White tourism business owners and managers.

Furthermore, tourism BSR activities are too concentrated at popular attractions in the study region, which creates a major geographical problem in the development of the area. This problem influences the local communities' abilities to access social facilities and services. Lastly, the problem of a general lack of awareness of and compliance with tourism BSR regulations hinders the implementation of BSR policies. The Western Cape Province's BSR policy falls in the zone of indifference. Tourism business owners recognise the existence or reality of BSR policies but do not feel compelled to implement them, hoping that others will.

List of References

24th South African Football Association (Safa) Annual Congress. 2014. [TV programme] SABC, SABC 1. 11 October 2014 09:00.

Africa/France Business Conference. 2011: *Corporate social responsibility: A pathway to growth and employment creation.* Paris.

Africa-France Summit. 2010. *Final Declaration* [Online]. Available at: http://www.diplomatic.gov.fr/en/IMG/pdf [Accessed June 2012].

African Development Bank. 2012. *South Africa: Country strategy paper 2013-2017.* Southern African Resource Centre. [Online]. Available at: http://www.afdb.org/fileadmin/uploada/afdb/project-and_operations/ [Accessed 2 October 2014].

African National Congress (ANC). 2014. Election Manifesto: Together we move South Africa forward. *Annual Report 2012-2013,* (97/2013). Pretoria: Government Printers.

African Union (AU). 2004. *Declaration on employment and poverty alleviation in Africa assembly of the African Union.* Third extraordinary session on employment and poverty alleviation. Ouagadougou, Burkina Faso.

African Union. 2014. *Extraordinary summit of employment, poverty eradication and inclusive development in Africa.* Draft declaration on employment, poverty eradication and inclusive development in Africa.

Albareda, L. 2008. Corporate responsibility, governance and accountability: From self-regulation to co-regulation. *Corporate Governance*, 8(4), 430-439.

Altinay, L. & Paraskevas, A. 2008. *Planning research in hospitality and tourism.* Burlington, MA: Elsevier.

Amable, B. 2011. Morals and politics in the ideology of neo-liberalism. *Socio-Economic Review*, 9, 3-30.

Anshen, M. 1980. *Corporate strategies for social performances.* New York (NY): Macmillan Publishing.

Antonescu, A. & Stock, M. 2013. *Reconstructing of the globalisation of tourism: A geo-historical perspective.* Centre de Recherche Intedisciplinaire surre Tourism (CRIT) IUKB, Sion, Switzerland. *Applied Business Research*, 18(2), 53-65.

Argandoña, A. 2010. *Corporate social responsibility in the tourism industry. Some lessons from the Spanish experience.* Prepared for the project "Corporate Social Responsibility in the tourism industry in Bulgaria- the facts and the future". Draft, January 2010. [Pdf]. Available at: http://www.lese.edu/research/pelfs/di-0844-e.pdf [Accessed 15 March 2011].

Archer, M., Bhaskar, R., Collier, A., Lawson, T. & Morrile, A. eds. 1998. *Critical realism essential readings*. London: Routledge.

Asamoah, K. 2013. Policy implementation: Tool for enhancing tourism development in Ghana. *Journal of Law, Policy and Globalisation,* 19-29.

Ashley, C., De Brine, P., Lehr, A. & Wilde, H. 2007. *Economic opportunity series: The role of the tourism sector in expanding economic opportunity*. The fellows of Harvard College, Overseas Development Institute International Business Leaders Forum.

Babbie, E. 1992. *The practice of social research*. 6th ed. California: Wadsworth Publishing Company.

Babbie, E., Mouton, J., Vorster, P. & Prozesky, B. 2002. *The practice of social research*. Cape Town: Oxford University Press.

Baggio, R. & Klobas, J. 2011. *Quantitative methods in tourism: Handbook*. Bristol: Channel View Publications.

Bhaktawar, N. & Van Niekerk, L. eds. 2012. *South Africa yearbook 2012/13*. 20th ed. Pretoria: Government Communication and Information System (GCIS).

Bhaskar, R. 1978. *A realist theory of science*. 2nd ed. Hassocks: Harvester Press.

Blanche, M.J., Blanche, M.T., Durrheim, K. & Painter, D. 2011. *Research in practice: Applied methods for the social sciences, 2nd ed.* Cape Town: UCT Press.

Bloomberg, L.D. & Volpe, M. 2008. *Completing your qualitative dissertation: A roadmap from beginning to end.* London: SAGE Publications.

Blowfield, M. 2007. Reasons to be cheerful? What we know about CSR's impact. *Third World Quarterly,* 28(4), 683-695.

Bohdanowicz, P. & Zientara, P. 2008. Corporate social responsibility in hospitality: issues and implications. A case study of Scandic. *Journal of Hospitality and Tourism*, 8, 271-293.

Botha, F. 2010. The impact of educational attainment on household poverty in South Africa*. Acta Academica*, 42(4), 122-147.

Broomhill, R. 2007. *To Corporate social responsibility: Key issues and debates*. Dunstan papers. No. 1/2007. [Pdf]. Available at: http://www.dunstan.org.au/resources/publications/Dunstan_Papers_No_1_2007.pdf [Accessed 16 May 2011].

Bruckmayer, M. 2010. *The impact of domestic anti-neoliberal contention on the negotiation outcome of the Free Trade Areas of the Americas (FTAA)*. MA. Sacramento: California State University.

Brynard, P.A. & Hanekom, S.X. 2006. *Introduction to research in management-related fields.* 2nd ed. Pretoria: Van Schaik Publishers.

Burnard, P., Gill, P., Stewart, K., Treasure, E. & Chadwick, B. 2008. Analysing and presenting qualitative data. *British Dental Journal*, 204(8), 429-432.

Business Against Crime for South Africa (BACSA). 2014. *The Security industry regulations* [Online]. Available at: http://www.sira.sa.co.za/bacsa [Accessed 10 May 2013].

Burns, P. 1999. Paradoxes in planning: Tourism elitism or brutalism? *Annals of Tourism Research,* 26, 329-348.

Butler, R & Suntikul, W. 2010. *Tourism and political change.* Oxford. Goodfellow Publishers Limited.

Canada: Foreign Affairs Trade and Development. 2009. *Building the Canadian advantage: Corporate social responsibility (CSR) strategy for the Canadian international extractive sector.* [Online]. Available at: http://www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/other-autre/csr-strat-rse-2009.aspx?lang=eng [Accessed 20 May 2011].

Cape Town Tourism. 2014. *A room with a view: Cape Town hotels and tourism* [Pdf] Available at: http://www.pwc.co.za/en_ZA/za/assets/pdf/hospitality-brochure-september-2014.pdf [Accessed 24 January 2015].

Carlsson, S.A. 2003. *Critical realism: Way forward in IS research.* Informatics, Jönköping International Business School, Sweden [Online]. Available at: http://www.researchgate.net/publication/221407194_Critical_realism_a_way_forward_in_IS_researchat [Accessed 11 February 2011].

Carlsson, S. 2005. Developing information systems design knowledge: A critical realist perspective. *The Electronic Journal of Business Research Methodology*, 3(2), 93-102 [Online]. Available at: www.ejbrm.com [Accessed 11 February 2011].

Carroll, B.A. 1999: Corporate social responsibility: Evolution of a definitional construct. *Business and Society, (38*)3, 268-295.

CBI Market Information Database: Ministry of Foreign Affairs of the Netherlands. 2010. *International guidelines: ISO 26000 on social responsibility* [Online]. Available at: www.cbi.eu [Accessed 5 January 2012].

Chaves, R., Mozas, A., Puentes, R. & Bernal, E. 2011. E-corporate social responsibility in socially responsible firms: The case of Spanish firms. *The Service Industrial Journal,* 31(12), 2033-2050.

Chenail, R.J. 1995. Presenting qualitative data. *The Qualitative Report*, 2(3):1-5.

Cilliers, J & Camp, H. 2013. Highway or byway? The National Development Plan 2030. African Futures Papers: Knowledge empowers Africa! Le savoir émancipe l'Afrique! No 6 [Online]. Available at: http://www.issafrica.org/publications/papers/highway-or-byway-the-national-development-plan-20.30 [Accessed 15 October 2014].

Clark, M., Riley, M., Wilkie, E. & Wood, R.C. 1998. *Tourism and hospitality management series: Research and writing dissertations in hospitality and tourism.* Boston: International Thomson Publishing Press.

Coles, T., Fenclova, E. & Dinan, C. 2013. Tourism and corporate social responsibility: A critical review and research agenda. *Tourism Management Perspectives,* 6 (2013), 122-141.

Cornelissen, S. 2005. Tourism impact, distribution and development: The spatial structure of tourism in the Western Cape Province of South Africa. *Development Southern Africa,* 22 (2), 163-185.

Cowper-Smith, A. & De Grosbois, D. 2011. The adoption of corporate social responsibility practices in the airline industry. *Journal of Sustainable Tourism*, (19)1, January 2011, 59–77.

Crane, A. & Matten, D. 2007. *Business ethics.* 2nd ed. New York (NY): Oxford University Press.

Darrtey-Baah, K. & Amaponsah-Tawiah, K. 2011. Exploring the limits of Western corporate social responsibility theories in Africa. *International Journal of Business and Social Science*, (18)2, 126-137.

De Ridder, E. 2003. *Addressing globalization through Local Economic Tourism Development: Case study in Phalaborwa, South Africa.* 39th ISoCaRP Congress.

De Vos, A. S., Strydom, H., Fouché, C. B. & Delport, C. S. L. 2005. *Research at grass roots.* 3rd ed. Pretoria: Van Schaik Publishers.

Democratic Alliance (DA). 2013. *South Africa: The world in one DA policy in tourism* [Online]. Available at: http://www.da.org.za/wp-content/uploads/2014/01/tourism1.pdf [Accessed 12 August 2014].

Dempsey, J. & Robertson, M.M. 2012. Ecosystem services: Tensions, impurities, and points of engagement within neoliberalism. *Progress in Human Geography*, 36(6), 758–779.

Desai, A. 2003. Neoliberalism and resistance in South Africa. *Monthly Review Press*, (54)8, 1-12.

Diorisio, C. & McCain, S.C. 2007. An examination of hotel corporate philanthropy behaviour. *Consortium Journal of Hospitality and Tourism*, 12(1), 37-45.

Dredge, D. & Jenkins, J. 2007. *Tourism planning and policy*. Sydney and Melbourne: John Wiley and Sons.

Dobers, P. & Halme, M. 2009. Corporate social responsibility and developing countries. *Corporate Social Responsibility and Environmental Management*, 16 (2), 237-259.

Dodds, R. & Kuehnel, J. 2010. CSR among Canadian mass tour operators: Good awareness but little action. *International Journal of Contemporary Hospitality Management,* (22)2, 221-244.

Duffy, R. 2014. Interactive elephants: Nature, tourism and neoliberalism. *Annals of Tourism Research*, 44, 88-101.

Dunfee, T.W. & Hess, D. 2000. The legitimacy of direct corporate humanitarian investment. *Business Ethics Quarterly,* 10(1), 95-109.

Dzansi, D. Y. & Pretorius, M. 2009. Addressing and measuring small business social responsibility in the African context: A stakeholder framework. *Social Responsibility Journal,* 5(2), 245-256.

Eja, E.I., Otu, E., Ewa, E.E. & Ndomah, B.N. 2011. The role of private sector participation in sustainable tourism development in Cross River State, Nigeria. *International Journal of Business and Social Science,* 2(2), 153-160.

Esser, I. & Dekker, A. 2008. The dynamics of corporate governance in South Africa: Broad Based Black Economic Empowerment and the enhancement of good corporate governance principles. *Journal of International Commercial Law and Technology,* 2(2), 157-169.

Evngelinos, I.K., Zotou, A., Kavakli, Z. & Balis, M. 2008. CSR tools and strategies for SMEs: The case of North Aegean region, Greece. Fondzione Eni Enrico Mttei.

Federal Department of Economic Affairs (FDEA). 2010. *Policy paper on tourism economic and trade policy development cooperation in the tourism sector* [Online]. Available at: http://www.seco-cooperation.admin.ch/themen /handel/index.html [Accessed 3 March 2014].

Fenclova, E. & Coles, T. 2011. Charitable partnerships among travel and tourism businesses. Perspectives from low-fares airlines. *International Journal of Tourism Research,* 13(4), 337-354.

Ferrell, O.C, Hirt, G.A. & Ferrell, L. 2007. *Business: A changing world*. 6th ed. New York: McGraw-Hill.

Fig, D. 2005. Manufacturing amnesia: Corporate social responsibility in South Africa. *International Affairs*, 81(3), 599-617.

Fleetwood S. & Ackroyd, S. 2004. *Critical realist applications in organization and business management.* London: Routledge.

Frey, N & George, R. 2010. Responsible tourism management: The missing link between business owners' attitudes and behaviour in the Cape Town tourism industry. *Tourism Management*, 31(5), October 2010, 621-628.

Friedman, M. 1970. The social responsibility of business is to Increase its profits. *The New York Times Magazine*, 13 September 1970 [Online]. Available at: http://www.colorado.edu/studentgrcups/liberians/issues/Friedman-soc-resp-business [Accessed 20 May 2011].

Garriga, E. & Mele, D. 2004. Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics,* 53, 51-71.

George, E.W. 2013. *Tourism, globalisation and sustainable development: Are these contravening concepts?* University of Guelph. [Online]. Available at http://www.uk.sagepub.com/journals/Journal202352/manuscriptSubmission. [Accessed on the 20 November 2012]

George, R. 2011. *Marketing tourism in South Africa*. 4th ed. Cape Town: Oxford University Press.

George, S. 1999. *A short history of neoliberalism: Twenty years of elite economic and emerging opportunities for structural change*. Conference on Economic Sovereignty in a Globalising World, Bangkok, 24-26.

Giampiccoli, A. & Mtapuri, O. 2014. Dividing the spoils? Mining and tourism in South Africa. *Mediterranean Journal of Social Sciences,* 5(2), 87-96.

Golja, T. & Nižić, M. K. 2010. Corporate social responsibility in tourism: The most popular tourism destinations in Croatia: Comparative analysis. *Management*, 15(2), 107-121.

Goodwin H., Spenceley, A. & Maynard, B. 2011*. Rural livelihoods and the tourism industry development of responsible tourism guidelines*. Final draft. NRI Report No: 2692. Project Code: V0149 [Online]. Available at: http://www.anna.spenceley.co.uk/files/responsibleguidelines [Accessed 7 June 2013].

Gopaul, M. 2006. *The significance of rural areas in South Africa for tourism development through community participation with special attention to Umgababa, a rural area located in the province of KwaZulu-Natal.* Unpublished MA thesis. Pretoria: University of South Africa.

Gray, D. 2004. *Doing research in the real world.* London: Sage Publications.

Gray, J. 1998. *False dawn: The delusions of global capitalism.* New York (NY): The New Press.

Grewal, B.S. 2008. *Neoliberalism and discourse: Case studies of knowledge policies in the Asia-Pacific.* Unpublished PhD thesis. Auckland: Auckland University of Technology.

Hamann, R. 2003. *Corporate social responsibility and its implications for governance: The case of mining in South Africa*. Paper submitted to the Oikos PhD summer academy, St Gallen, Switzerland [Online]. Available at: http://www.backup.oikos-international.org/Fileadmin/oikos-international/summer-academies-old-ones/adition-2003/papers/paper-hamann.pdf [Accessed 11 March 2012].

Hamann, R. & Acutt, N. 2003. How should civil society (and the government) respond to 'corporate social responsibility'? Critique of business motivations and the potential for partnerships. *Development Southern Africa,* 20(2), 256-270.

Hamann, R. 2003. Mining companies' role in sustainable development: The 'why' and 'how' of corporate social responsibility from a business perspective. *Development Southern Africa,* 20(2), 237-254.

Hannam, K. 2002. Tourism and development 1: Globalisation and power. *Progress in Development Studies,* 2(3), 227-234.

Harvey, D. 2006. Neo-liberalism as creative destruction. *Swedish Society for Anthropology and Geography,* 88(2); 145-158.

Hazbun, W. 2004. Globalisation, reterritorialisation and the political economy of tourism development in the Middle East. *Geopolitics,* 9(2), 310-341.

Heath, E. 2001. Globalisation of the tourism industry: Future trends and challenges for South Africa. *SAJEMS NS*, 3(4) [Online]. Available at: http://repository.up.ac.zabitstream/handle/2263/11731/Heath-Globalisation%282001%29.pdf?sequence=1 [Accessed 13 August 2011].

Heaton, J. 2004. *Reworking qualitative data.* London: Sage.

Henderson, J.C. 2006. Corporate social responsibility and tourism: Hotel companies in Phuket, Thailand, after the Indian Ocean tsunami. *Hospitality Management,* 26: 228 -239.

Herringer, A., Firer, C. & Viviers, S. 2009. Key challenges facing the socially responsible investment (SRI) sector in South Africa. *Investment Analysts Journal*, 70, 1-16.

Hjalager, A.M. 2006. Stages in the economic globalisation of tourism. *Annals of Tourism Research,* 34(2), 437-457.

Hofstee, E. 2006. *Extract from constructing a good dissertation: A practical guide to finishing a master's*, *MBA or PhD on schedule* [Online]. Available at: www.exactica.co.za [Accessed 22 September 2010].

Holden, A. 2008. *Environment and tourism*. Oxon: Routledge.

Holloway, J.C. 1996. *The business of tourism.* 4th ed. England: Pitman Publishing.

Holowiecka, B., Grzelak-Kostulska, E. & Kwiatkowski, G. 2011. *Impacts of globalization on tourist preferences and activity. In the scale of globalization, think globally, act locally in the 21st century*, 55-62. Ostava: University of Ostrava [Online]. Available at: http://geo.umk.pl/de/strony-www-pracownikow/300-beata-holowiecka [Accessed 22 April 2013].

Hopkins, D. 2008. *A teacher guide to classroom research.* Berkshire: McGraw-Hill.

Huniche, M. & Pedersen, E.R. 2006. *Corporate citizenship in developing countries: new partnership perspectives* [Online]. Available at http://www.researchgate.net/publication/220288477_E.R._Pedersen_M._Huniche_%28Eds.%29_Corporate_Citizenship_in_Developing_Countries_-_New_partnership_Perspectives_Copenhagen_Business_School_Press_Denmark_%282006%29_ISBN_87-630-0141-1 [Accessed 2 November 2012].

Hunter, C. 2013. *Assessing the sustainability reporting of selected tourism companies listed on the Johannesburg Stock Exchange (JSE).* MA. Johannesburg: University of Johannesburg.

Ismail, M. 2009. Corporate social responsibility and its role in community development: An international perspective. *The Journal of International Social Research,* 2(9), 199-209.

Issac, S & Michael, W.B. 1981. *Handbook in research and evaluation.* San Diego: Edits Publishers.

Inskeep, E. 1991. *Tourism planning: An integrated and sustainable development approach.* Danvers: John Wiley and Sons.

International Organization for Standardization. 2010. *ISO 26000 - social responsibility* [Online]. Available at: www.iso.org/sr [Accessed 23 April 2014].

Ivanovic, M., Khunou, P.S., Reynish, N., Pawson, R., Tseane, L. & Wassung, N. 2009. *Tourism development 1: Fresh perspectives.* Pinelands: Pearson Education.

Jain, A. 2013. An empirical analysis on stakeholder theory and corporate social responsibility. *International Journal of Enterprise Computing and Business Systems,* 3(2), 1-8.

Jamali, D. & Mirshak, R. 2007. Corporate social responsibility (CSR): Theory and practice in the developing country content. *Journal of Business Ethics*, 73(3), 243-262.

Jastram, S. M. 2007. *Skript, corporate social responsibility.* MiBA. Hamburg: Universität Hamburg.

John, W.H. & Oliver, F.W. eds. 1996. *Is the good corporation dead? Social responsibility in a global economy.* London: Rowan and Littlefield.

Juggernath, S., Rampersad, R. & Reddy, K. 2011. Corporate responsibility for socio-economic transformation: A focus on broad-based black economic empowerment and its implementation in South Africa. *African Journal of Business Management,* 5(20), 8224-8234.

Kasim, A. 2004. BESR in the hotel sector: A look at tourists' propensity towards environmentally and socially friendly hotel attributes in Pulau Pinang, Malaysia. *International Journal of Hospitality & Tourism Administration*, 5(2), 61-83.

Keyser, H. 2009. *Developing tourism.* Cape Town: Oxford University Press.

Kinderman, D. 2012. Free us up so we can be responsible. The co-evolution of corporate social responsibility and neoliberalism in the UK, 1977-2010. *Socio-economic Review,* 10*, 29-57.*

King Committee on Corporate Governance. 2002. *King report on corporate governance for South Africa 2002 (King II).* Johannesburg: Institute of Directors in Southern Africa.

King Committee on Corporate Governance. 2009. *King report on corporate governance for South Africa 2009 (King III).* Johannesburg: Institute of Directors in Southern Africa.

Koestoer, Y. 2002. *Corporate social responsibility in developing countries.* Center for international private enterprise [Online]. Available at: http://developmentinstitute.org/member/koestoer/koestoer_outline.pdf. [Accessed 14 October 2010].

Kotler, P. 1997. *Marketing management: Analysis, planning, implementation, and control.* Engelwood Cliffs, NJ: Prentice Hall.

Lamy, P. 2002. Stepping stones or stumbling blocks? The EU's approach towards the problem of multilateralism vs regionalism in trade policy. *The World Economy*, 25(10), 1399-1413.

Lee, S & Park, S. 2009. Do socially responsible activities help hotels and casinos achieve their financial goals? *International Journals of Hospitality Management,* 28(1), 105-113.

Leibbrandt, M., Wegner, E. & Finn, A. 2011. *The policies for reducing income inequality and poverty in South Africa.* A Southern Africa Labour and Development Research Unit working paper, Number 64. Cape Town: SALDRU, University of Cape Town.

Levy, S. E. & Park, S. Y. 2011. An analysis of CSR activities in the lodging industry. *Journal of Hospitality and Tourism Management,* 18(1), 147-154.

Lindgreen, A., Swan, V. & Campbell, T.T. 2009. Corporate social responsibility practices in developing and transitional countries: Botswana and Malawi. *Journal of Business Ethics*, 90(3), 429–440.

Lindgreen, A., Kotler, P., Vanhamme, J. & Maon, F. eds. 2012. *A stakeholder approach to corporate social responsibility: Pressures, conflicts, reconciliation*. Aldershot: Gower.

Loots, E. 2002. *Globalisation and economic growth in South Africa: Do we benefit from trade and financial liberalisation*? Trade and industrial policy strategies. Annual Forum at Glenburn Lodge, Muldersdrift [Online]. Available at: http://reference.sabinet.co.za/webx/access/journal_archive/10158812/21.pdf Accessed 22 September 2010].

Luiz, J. 2002. Small business development, entrepreneurship and expanding the business sector in a developing economy: The case of South Africa. *Journal of Applied Business Research*, 18(2), 53-68.

Lund-Thomsen, P. 2005. Corporate accountability in South Africa: the role of community mobilizing in environmental governance. *International Affairs*, 81(3), 619-633.

Mah, A. 2004. *Uneasy partnerships and contradictions: Corporate social and environmental responsibility.* Proceedings of the 3rd Annual Global Studies Association Conference; Brandeis University [Pdf]. Available at: http://www.net4dem.org/mayglobal/Papers/Conference2004Papers/AliceMah.pdf [Accessed 11 September 2010].

Mahon, J.F & Waddock, S.A. 1992. Strategic issues management: Integration of issue life cycle perspectives. *Business and Society,* 31(1), 19-32.

Makalipi, T. 2014. Discussion on South African government pro-poor policies and programmes that are aimed to address unemployment, poverty and inequality in the country. [Conversation] (Personal communication, 4 May 2014).

Makandi, S.M. 2010. *Community's perceptions and assessment of biodiversity conservation strategies: The case of protected areas in Kenya.* PhD. Durban: University of KwaZulu-Natal.

Maps of World. N.d. *Western Cape Map* [Online]. Available at: http://www.mapsofworld.com/south-africa/provinces/western-cape.html [Accessed 9 August 2014].

Mason, B.M. 2007. Advancing health rights in a globalized world: Responding to globalization through a collective human right to public health. *The Journal of Law, Medicine and Ethics,* 35(4), 545-555.

Matten, D. & Moon, J. 2004. Corporate social responsibility: Education in Europe. *Journal of Business Ethics*, 54: 323-337.

May, J. 1998. *Perceptions of poverty in South Africa*. Durban: Praxis Publishing.

Mazilu, M. 2011. *Globalisation – tourism a model from green economy.* Recent researcher in economic. Proceedings of the 2nd International Conference on Business Administration (ICBA '11). Montreux, Switzerland [Pdf]. Available at:

http://www.wseas.us/books/2011/mantreux/Icicic.pfd [Accessed 11 September 2012].

Mbeki, G. 1992. *The struggle for liberation in South Africa* [Online]. Available at: http://www.anc.org.za/show.php?id=4605 [Accessed 14 May 2014].

McGuire, J. B., Sundgreen, A. & Schneeweis, T. 1988. Corporate social responsibility and firm financial performance. *Academy of Management Journal*, 31 (4), 54.

McWilliams, A. & Siegel, D. 2000. Corporate social responsibility and financial performance: Correlation or misspecification? *Strategic Management Journal*, 21 (5): 603-609.

McWilliams, A., Siegel, D.S & Wright, P.M. 2006. Corporate social responsibility: Strategic implications. *Journal of Management Studies,* 43, 1-18.

Mini, S.E. 2012. Spatialisation of post-apartheid urban inequalities: A new type of spatial–social inequalities in South African cities. *Scientific Annals of ALEXNDRU IOAN CUZA*, LV III (II), 147-170.

Mpofu, T.P.Z. 2009. An assessment of the impact of tourism globalisation in Africa. *Journal of Business and Adminstrative Studies,* 1(2), 12-19.

Muchapondwa, E. & Stage, J. 2013. The economic impacts of tourism in Botswana, Namibia and South Africa: Is poverty subsiding? *Natural Resources Forum*, 37, 80-89.

Monshausen, A. & Fuchs, H. 2010. CSR in tourism: Pretence and reality. *Contours,* 20(1), 4-7.

Morning Live. 2014. [TV programme] South African Broadcasting Corporation (SABC), SABC 2, 18 June 2014 7:30.

National Development Agency (NDA). 2012. *Annual performance plan 2012/2013: Beyond 10 years of unlocking potential* [Pdf]. Available at: http://www.nda.org.za/docs/Final%20Annual%20Performance%20Plan%202020 12-2013%2012.04.2012.pdf [Accessed 4 October 2014].

National Labour and Economic Development Institute (Naledi). 2001. *Overview of the South African tourism and hospitality sector* [Pdf]. Available at: http://195.130.87.21:8080/dspace/bitstream/123456789/848/1/Overview%20of %20the%20South%20African%20tourism.pdf [Accessed 10 July 2010].

National Planning Commission. 2011. National Development Plan vision for 2030. [Pdf]. Available at: http://heaids.org.za/site/assets/files/1267/npc_national_ development_plan_vision_2030_-lo-res.pdf [Accessed 26 September 2014].

Ndlovu, T.P. 2009: *Conceptualising corporate social responsibility and corporate social investment: The South African Context. Repositioning African business*

and development for the 21st century [Online]. Available at: http://www.researchgate.net/profile/Robert [Accessed 9 March 2013].

Nel, E. & Binns, T. 2002: Placing marketing, tourism promotion and community-based local economic development in post-apartheid South Africa: The case of Still Bay - The 'Bay of Sleeping Beauty. *Urban Affairs Review, 38(2): 184-208*.

Nemasetoni, I. & Rogerson, C.M. 2005. Developing small firm in township tourism: Emerging tour operators in Gauteng South Africa. *Urban Forum,* 16(2-3), 196-213.

Neuman W.L & Krueger, L. W. 2003. *Social work research methods: Qualitative and quantitative approaches.* Boston: Allyn and Bacon.

New Partnership for Africa's Development (NEPAD). 2001*. Economic and corporate governance initiative: In the new partnership for Africa's developmen*t. Abuja, Nigeria.

Newell, P. & Frynas, J.G. 2007. Beyond CSR? Business, poverty and social justice: An introduction. *Third World Quarterly,* 28(4), 669-681.

Ngwenya, F.S. 2007. *Successes and failures of B-BBEE – a critical assessment.* Unpublished MBA thesis. Stellenbosch: Stellenbosch University.

Nižic, M.K, Golja, T. & Vodeb, K. 2011. The trend of economic, ecological and social responsibility implementation in tourism*. Sustainable tourism: socio-cultural, environmental and economics impact,* 221-234*.* University Rijeka, Opatija, Tourism in South East Europe, Forthcoming [Online]. Available at: http://ssrn.com/abstract=2165714 [Accessed 20 May 2012].

Nkurayija, J.C. 2011. *The impact of globalization on Africa's development: Rwandan tourism as key to mobile revenue and investment.* Rwanda: National University of Rwanda (NUR).

Norman, K.D. 2003. Qualitative research: The elephant in the living room: Or extending the conversation about the politics of evidence. *Qualitative Research*, 9(2), 139-160. Abstract from SAGE Journals [Online]. Available at: http://qrj.sagepub.com/content/9/2/139 [Accessed 20 January 2011].

Nyakunu, E. & Rogerson, C.M. 2014. Tourism policy analysis: The case of post-independence Namibia. A*frican Journal of Hospitality and Leisure,* 3(1), 1-13.

O'Dwyer, B. 2003. Conceptions on corporate social responsibility. The nature of managerial capture. *Accounting, Auditing and Accountability Journal*, 16(4), 523-527.

O'Leary, Z. 2004. *The essential guide to doing research.* London: Sage.

O'Riordan, L. & Faitbrass, J. 2006. *Corporate social responsibility (CSR): Models and theories in stakeholder dialogue*. Ireland, Trinity College Dublin.

O'Rourke, D. 2004. *Opportunities and obstacles of corporate social responsibility reporting in the developing countries*. University of California, Berkeley for the Corporate Social Responsibility Practice of the World Bank Group.

Peck, J. & Tickell, A. 2002. Neoliberalizing space. *Antipode*, 34(3), 380-404.

Peric, V. P. 2005. *Tourism and globalisation. Managing the process of globalisation in new and upcoming EU members*, Proceedings of the 6th International Conference of the Faculty of Management Koper. Congress Centre Bernardin, Slovenia, 24-26 November 2005.

Pickard, V. 2007. Neoliberal visions and revisions in global communications policy from NWICO to WSIS. *Journal of Communication Inquiry*, 31, 118-139.

Pickworth, E. 2013. Fewer companies on socially responsible investment index. *Business Day*, 28 November 2013.

Presidency of the Republic of South Africa. 2014. *Twenty Year Review: South Africa 1994-2014* [Online]. Available at http://www.thepresidency-dpme.gov.za/news/Pages/20-Year-Review.aspx [Accessed 23 August 2014].

Quazi, A.M & O'Brien, D. 2000. An empirical test of a cross-national model of corporate social responsibility. *Journal of Business Ethics*, 25(1), 33-51.

Ramlall, S. 2012. Corporate social responsibility in post-apartheid South Africa. *Social Responsibility Journal,* 8(2), 270-288.

Richter, J. 2001. *Holding corporations accountable: Corporate conduct, international codes, and citizen action*. London: Zed Books.

Robinson, M. & White, G. eds. 1998. *The democratic developmental state: political and institutional design*. Oxford: Oxford University Press.

Rogerson, C.M. 1996: The private sector and local economic development in South Africa. *Geojournal,* 39(1): 97-104.

Rogerson, C.M. 2002. Tourism and local economic development: the case of the Highlands Meander. *Development Southern Africa,* 19(1), 169-190.

Rogerson, C.M. 2005. Unpacking tourism SMMEs in South Africa: structure, support needs and policy response. *Development Southern Africa,* 22(5), 623-642.

Rogerson, C.M. 2006. Pro-poor local economic development in South Africa: The role of pro-poor tourism. *Local Environment*, 11(1), 37-60.

Rogerson, C.M. 2008. Shared Growth in urban tourism: Evidence from Soweto, South Africa. *Urban Forum,* 19:395–411.

Rossouw, G.J. 2005. Business ethics and corporate governance in Africa. *Business and Society*, 44(1), 94-106.

Rudež, H, N. 2010. Integration of Corporate Social Responsibility into loyalty programs in the tourism industry. *Tourism and Hospitality Management*, (1)16, 101-108.

SABS Standards Division. 2011. *SANS 1162: 2011 - South African National Standard: Responsible tourism requirements, Edition 1*. [Pdf] Pretoria: SABS Standards Division. [Online]. Available at http://www.tourism.gov.za/AboutNDT/Publications/South%20African%20National%20Standards.pdf [Accessed 10 June 2013].

Sayer, A. 1992. *Method in social science: A realist approach*. 2nd ed. London: Routledge.

Sayer, A. 2000. *Realism and social science*. London: Sage.

Schwartz, K., Tapper, R. & Font, X. 2008. A sustainable supply chain management framework for tour operators. *Journal of Sustainable Tourism*, 16 (3), 298-314.

Schwenkel, C. & Leshkowich, A.M. 2012. Guest editors' introduction: How is neoliberalism good to think Vietnam? How is Vietnam good to think neoliberalism? *Positions*, 20(2), 379-401.

Scott, N. 2011. *Tourism policy: A strategic review*. Oxford: Goodfellow Publishers Limitted.

Shahzad, K. & Sillanpaa, I. 2013. *The role of fair trade in developing corporate social responsibility: An empirical examination based on multiple cases.* Proceedings of 2013 International Conference on Technology Innovation and Industrial Management, 29-31 May 2013, Phuket, Thailand.

Sharp, J. 2006. Corporate social responsibility and development: An anthropological perspective. *Development Southern Africa,* 23(2). 213-222.

Shuraiki, T. 2001. Tourism policy. *Polityk Gospodarcza,* 5-6, 274-283.

Sillignakis, K.E.S. 2003. *The role of private and public sector in tourism planning and development*. [Pdf]. Available at: http://www.sillignakis.com/PDF/The%20role%20of%20private%20and%20public%20sector%20in%20Tourism%20planning%20and%20development.pdf www.sillignakis.com [Accessed 26 July 2014].

Smith, J.W. 1994. *The World's Wasted Wealth 2*. Institute for Economic Democracy, 120. *Developing World Bioethics*, 1(12), 1-8.

Smith, K. 2012. The problematizing of medical tourism: A critique of neoliberalism*. Developing World Bioethics*, 1(12), 1-8.

Smith, N. 2003. *American Empire: Roosevelt's Geographer and the Prelude to Globalization.* Berkeley: University of California Press.

South Africa. Department of Environmental Affairs and Tourism. 1996: *White Paper on the Development and Promotion of Tourism in South Africa*. Pretoria: Government Printer.

South Africa. Department of Environmental Affairs and Tourism. 2002. *Responsible Tourism Manual for South Africa* [Online]. Available at: http://www.capetown.gov.za/en/tourism/documents [Accessed 9 May 2013].

South Africa. Department of Higher Education and Training (DHET). 2005. *Education statistics in South Africa at glance in 2004* [Pdf] Pretoria: Department of Education. Available at http://www.dhet.gov.za/DHET%20Statistics %20Publication/DoE%20Stats%20at%20a%20Glance%202004.pdf [Accessed 8 April 2013].

South Africa. Department of Labour. 2012. *Job opportunities and unemployment in the South African labour market 2012-2013* [Pdf] Pretoria: Department of Labour. Available at: http://www.labour.gov.za/DOL/downloads/ documents/annual-reports/job-opportunities-and-unemployment-in-the-south-african-labour-market/2013/joboppreport2013a.pdf [Accessed 28 August 2013].

South Africa. Department of Labour. 2013: *Commission for Employment Equity (CEE).* [Online]. Available at http://www.labour.gov.za/DOL/download/ document [Accessed on 13 August 2014].

South Africa. Department of the Presidency. 2011. *National Planning Commissio*n. *National Development Plan 2030.* RP270/2011. [Online]. Available at: http://www.thepresidency.gov.za/pebble.asp?relid=2871 [Accessed 9 August 2014].

South Africa. Department of Tourism. 2013*. National minimum standard for responsible tourism* [Online]. Available at http://www.iso.org/iso/home/ standards/iso26000.htm [Accessed 25 October 2014].

South Africa. Department of Tourism. 2012*. Strategic Plan and Annual Performance 2012/13 Review* [Pdf]. Available at: http://www.gov.za/sites/www.gov.za/files /tourism_strat_plan.pdf [Accessed 10 November 2013].

South Africa. Department of the Presidency. Millennium Development Goals. 2013. *Country report* [Online]. Available at: http://www.za.undp.org/content/South-Africa [Accessed 9 August 2014].

South Africa Info. 2012. *South Africa's nine provinces* [Online]. Available at: http://www.southafrica.info/about/geography/provinces.htm#.VMtTGJ3oQq4 [Accessed 9 August 2014].

Statistics South Africa. 2010. *Provincial profile 2010, Western Cape* [Online]. Available at: http://www.tourism.gov.za/AboutNDT/Publications/South %20African%20National%20Standards.pdf [Accessed August 2010].

Statistics South Africa. 2013. *Mid-year population estimates. Statistical release P0302.* [Pdf] Pretoria: Statistics South Africa. [Online]. Available at http://www.statssa.gov.za/publications/p0302/p03022011.pdf [Accessed June 2014].

Statistics South Africa. 2014. *Poverty trends in South Africa: An examination of absolute poverty between 2006 and 2011.* [Pdf] Pretoria: Statistics South Africa. Available at: http://www.beta2.statssa.gov.za/publications/Report-03-10-06/Report-03-10-06March2014.pdf [Accessed October 2014].

Steurer, R. 2010. The role of governments in corporate social responsibility: Characterising public policies on CSR in Europe: *Policy Sciences*, 43(1), 49-72.

Steyn, J.N. & Spencer, J.P. 2011. South African tourism: Historical evaluation of macro tourism policies. *African Journal for Physical, Health Education, Recreation and Dance,* 17(2), 178-200.

Sugiyarto, G., Blke, A. & Sinclair, M.T. 2003. Economic impact of tourism and globalisation in Indonesia. *Annals of Tourism Research,* (30)3, 683-701.

Sutton, D.M. & Sutton, C.D. 2004. *Social research: The basics.* London: SAGE Publications.

Swiss Federations. Federal Department of Economic Affairs (FDEA). 2010*. Policy paper on tourism economic and trade policy development cooperation in the tourism sector* [Online]. Available at: http://www.seco-cooperation.admin.ch/themen/handel/index.html?lang=en&download=NHzLpZeg7t,lnp6I0NTU042l2Z6ln1ad1IZn4Z2qZpnO2Yuq2Z6gpJCDeHt7fmym162epYbg2c_JjKbNoKSn6A [Accessed 1 April 2013].

Taru, J. & Gukurume, S. 2013. Corporate social responsibility in the tourism industry. Lessons from communities surrounding great Zimbabwe monuments. *Journal of Tourism Challenges and Trends*, VI (1), 59-74.

Tassiopoulos, D. 2009. *New tourism ventures.* Cape Town: Juta.

Tepelus, C.M. 2008. *Destination unknown: The emergence of corporate social responsibility for the sustainable development of tourism.* Sweden: Lund University.

Tibane, E. & Vermeulen, A. eds. 2013. South Africa yearbook 2013/2014. 21st ed. Pretoria: GCIS.

Tsukamoto, T. 2012. Neoliberation of the developmental state: Tokyo's Bottom-up politics and state rescaling in Japan. *International Journal of Urban and Regional Research,* 36(1), 71-89.

Turker, L.R. & MacCallum, R.C. 1997. *Explanatory Factor Analysis* [Online]. Available at: http://www.unc.edu/~rcm/book/factor.pdf [Accessed June 2014].

United Nations Development Programme (UNDP). 2013. *The rise of the south: Human progress in a diverse world*. Human Development Report. New York: UNDP.

United Nations Economic and Social Council (Ecosoc) and Economic Commission for Africa (ECA). 2011*. Governing development in Africa: The role of the state in economic transformation*. Addis Ababa: ECA.

United Nations Environment Programme (UNEP). N.d. *Green economy* [Online]. Available at: http://www.unep.org/greeneconomy/GreenEconomyandTrade [Accessed 26 July 2014].

United Nations Environment Prgramme. 2013. *Green economy and trade – trends, challenges and opportunities* [Online]. Available at: http://www.unep.org/greeneconomy/GreenEconomyand Trade/GreenEconomyandTradeReport/tabid/106194/language/en-US/Default.aspx [Accessed 17 September 2014].

United Nations Global Compact. 2010. *Overview of the UN Global Compact* [Online]. Available at: http//www.unglobalcompact.org/AboutTheGC/index.htlm [Accessed 18 May 2011].

United Nations World Tourism Organization (UNTWO). 1990. *Tourism to the year 2000. Qualitative aspects affecting global growth*. Madrid: UNTWO.

UNTWO. 1999. *Sustainable tourism: Global Codes of Ethics for Tourism*. Madrid: UNTWO.

UNTWO. 2001*. Global code of ethics for tourism: Resolution adapted by the general assembly.* United Nations.

UNWTO. 2013. *UNWTO tourism highlights, 2013 edition* [Pdf]. Available at: http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/docpdf/unwtohighlights12enh r_1.pdf [Accessed August 2014].

UNWTO. 2014. *UNWTO tourism highlights, 2014 edition* [Pdf]. Available at: http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_highlights14_en.p df [Accessed 16 November 2014].

Vallentin, S. 2000. *Corporate social responsibility and public opinion*. Draft paper [Online]. Available at: http://www.195.130.87.21:8080/dspace/handle/ 12345789/299 [Accessed 5 February 2011].

Valeriya, Z. 2012. *Development of CSR implementation strategy proposal case: Kenkävero Association.* BBM. Finland: Faculty of Applied Sciences, Mikkeli University.

Van den Ende, L. 2004. *Corporate social responsibility in South Africa: Fact or fiction*. MCom. Johannesburg: Rand Afrikaans University.

Van der Merwe, M & Wocke, A. 2007. An introduction to responsible tourism practice in the South African hotel industry. *S. Afr.Jbus.manage,* 38(2), 1-15.

Van Vuuren, I. 2013. *Varieties of neoliberalism within the post-Cold War period: Economic policy in post-apartheid South Africa.* MA. Stellenbosch: Stellenbosch University

Vettori, S. 2005. Corporate social responsibility. *Speculum Juris,* 1, 89-106*.*

Visser, W. 2005. Shifting RDP into GEAR. The ANC government's dilemma in providing an equitable system of social security for the new South Africa. *ITH-Tgungsberichte,* 39.

Visser, W. 2006. *Research on corporate citizenship in Africa: A ten-year review* (1995-2005) [Online]. Available at http://www.waynevisser.com/writting/chapter [Accessed 20 February 2011].

Walle, A. H. 1997. Pursuing risk or insight: Marketing adventures. *Annals of Tourism Research,* 24 (2), 265-282.

Wesgro. 2010. Tour ops and brokers and accommodation. Tourism businesses database.

Wesgro. 2012. *Cape Town and Western Cape: Western Cape Annual Tourism Trends* [Pdf]. Available at: http://wesgro.co.za/publications/publications/2012-annual-western-cape-tourism-trends [Accessed 11 September 2013].

Wesgro. 2013. *South Africa country fact sheet* [Online]. Available at: http://wesgro.co.za/publications/publications/2013-south-africa-country-fact-sheet [Accessed 4 June 2014].

Western Cape Government. Department of Economic Affairs, Agriculture and Tourism. 2001*. White Paper on Sustainable Tourism Development and Promotion in the Western Cape.* Pretoria: Government Printer.

Western Cape Government. Department of Economic Affairs, Agriculture and Tourism and Agriculture. 2002. *Integrated Tourism Development Framework for the Western Cape.* Pretoria: Government Printer.

Western Cape Government. Department of Economic Development and Tourism. 2006. *Micro-Economic Development Strategy (MEDS).* Pretoria: Government Printer.

Western Cape Government. Department of Economic Development and Tourism. 2008. *Budget vote speech, 2008/2009* [Pdf]. Available at: http://www.westerncape.gov.za/other/2008/5/tourism_budget_speech_2008.pdf [Accessed 28 May 2012].

Western Cape Government. Department of Economic Development and Tourism. 2010. *Five Year Strategic Plan, 2010/15.* Pretoria: Government Printer.

Western Cape Government. Department of Environmental Affairs and Development Planning. 2005. *Provincial Spatial Development Framework.* Pretoria: Government Printer.

Western Cape Government. Provincial Treasury. 2013. *Regional development profile City of Cape Town*, Working paper [Pdf]. Available at: http://www.westerncape.gov.za/assets/departments/treasury/Documents/Socio-economic-profiles/dc0_city_of_cape_town_ke_6_dec_2013.pdf [Accessed 9 August 2014].

Wilkinson, D. & Birmingham, P. 2003. *Using research instruments: A guide for researchers*. London: Psychology Press.

Wixley, T. & Everingham, G. 2002. *What you must know about corporate* governance. 1st ed. Claremont: Siber Ink CC.

Woolard, I. 2002. *An overview of poverty and inequality in South Africa*. Working paper prepared for DFID (SA) [Online]. Available at: http://www.sarpn.org/documents/e0000006/Poverty_Inequality_SA.pdf [Accessed 9 August 2014].

World Business Council for Sustainable Development. 2000. *Corporate social responsibility: making good business sense* [Online]. Available at http://www.wbcsd.org/web/development.htm [Accessed 17 March 2011].

Wray, M. 2009. Policy communities, networks and issue cycles in tourism destination systems. *Journal of Sustainable Tourism,* 17(6), 673-690.

Yirenkyi-Boateng, S. 2011. *Policy brief: Business social responsibility and the development process in Africa enlarging the stakeholders for sustainable development*. Africa Institute of South Africa. Briefing No 51.

Zarenda, H. 2013. *South Africa's National Development Plan and its implications for regional development*. Tralac working paper. D13WP01 [Online]. Available at: http://www.tralac.org/files/2013/07/D13WP012013-Zarenda-South-Africas-NDP-and-implications-for-regional-development-20130612-fin.pdf [Accessed 3 June 2014].

Zhou, Y., Poon, P. & Huang, G. 2012. Corporate ability and corporate social responsibility in a developing country: The role of product involvement. *Journal of Global Marketing*, 25, 45–56.

Zmyslony, P. 2011. Globalisation, tourism and cities: Pros and cons. *Folia Turistica*, 25(1), 299-312.

Zuma, J.G. 2014. *State of the nation address: Joint sitting of parliament 17 June 2014*. Cape Town. [Online]. Available at http://www.gov.za/state-nation-address [Accessed 14 September 2014].

Annexures

Annexure 'A': Tourism Businesses' Questionnaire Survey

SOCIAL RESPONSIBILITY OF THE TOURISM BUSINESSES IN THE WESTERN CAPE PROVINCE OF SOUTH AFRICA

Interviewer's name:…………………………Questionnaire no: ……Date……………………………

District and Municipality……………………………………………………………………………………

The study is indented to evaluate the tourism business social responsibility activities and the policies that govern such activities within the Western Cape Province. The results that will emerge from the study are hoped to improve the knowledge on social responsibility issues and its benefits among all tourism stakeholders to ensure sustainable tourism development. The opinions and views of the respondents are treated as strictly confidential as possible. The information will be accessible only to the researcher and the whole research team of the University. The study or any publications thereafter will not reveal the respondents' names, their organisations or community organisations. Your anonymity is therefore ensured. The questionnaire will take five minutes of your time and you may discontinue participation at any time without penalty.

Instructions

Please mark an appropriate answer with X and provide a full answer where open-ended questions are provided.

SECTION A: Knowledge of Business Social Responsibility (BSR)

1. Does your company have any form of relationship or link with the local communities, employees, customers and suppliers?

Yes	No

1.1. If yes, please specify

Partnership		Donor	
Sponsorship		Public Private Partnership	
Friendship			

1.2. Who initiated this relationship?

_____

2. Does your company have a BSR policy that governs its activities?

Yes	No	Not sure

2.1. If yes, please indicate the person responsible for designing the company's BSR activities

Chief Executive Officer		Manager (Specify department)	
Managing Director		Senior official	
Other (Specify)			

2.2. How does your company design the Business Social Responsibility initiatives?

In connection to the firm's core values	
In connection to the core competencies of the firm	
In response to moral pressure	
By setting clear objectives and measurements	

3. Please indicate the BSR activities that your tourism business is engaged in

Education and training		Local infrastructure development	
Developing public facilities		Donations	
Employment opportunities		Sponsorship	
Provision of facilities		Volunteer workers	
Cash		Community development programme	
Promoting ICT		Cutting down prices	

3.1. What is the duration of your involvement in a particular BSR activity?

0-3yrs	3-5yrs	5-10yrs	10-15yrs	Other (specify)

3.1.1. Please indicate the reason for your choice of duration

4. Which stakeholders are you considering for your BSR initiatives?

4.1. Please indicate the criteria used to choose your stakeholder(s)

4.2. Please provide full details of your BSR stakeholders(s)

Name of province(s)	Name of suburb(s) and towns	Name of township(s)

4.3. If outside the country please provide details

5. How does the company evaluate and assess the impacts of its BSR initiatives?

6. Please read the statements below and select either YES or NO

Statements	Yes	No
BSR is management's responsibility		
BSR helps increase businesses profits		
BSR is about moral issues		
BSR measurements are not clear		
BSR misuses businesses resources		
Managers and business owners use BSR to advance their personal agenda		
BSR frameworks and regulations vary from one country, city, town and company to another		

SECTION B: Impacts of Business Social Responsibilities

Please indicate your level of agreement or disagreement with the following statements: SA=Strongly Agree, A=Agree, N=Neutral, D=Disagree and SD=Strongly Disagree

7. Internal market (Owners, shareholders, managers and employees)

Statements	SA	A	N	D	SD
The business encourages its employees to develop their skills and long-term career					
Any form of discrimination in the business is discouraged					
Employees are included in important discussions in the business					
Shareholders' profits, employees' health, safety and welfare are taken into consideration by the business					
A work-life balance is provided to employees					
Shareholders and owners reap the benefits of loyal customers					
BSR teaches teamwork skills to employees					
BSR programmes are initiated and guided by top managers					

8. External market (Customers, suppliers and local communities)

Statements	SA	A	N	D	SD
The business ensures honesty and quality in its contracts and products with customers and suppliers					
The business's products have adequate information					
Suppliers are paid on time by the business					
Customer complain box is available and clearly displayed					
Customer complaints are resolved timeously by the company					
Cooperation with other businesses and organisations is encouraged by the business					
The business provides training for local communities					
Dialogues with communities takes place on regular basis					
Employees are encouraged to participate in local community activities by the business					
Local communities are receiving financial support from the business					
BSR assists in the recruitment of local community members					

SECTION C: Business Social Responsibility regulations

9. Please indicate your business's level of awareness of and compliance with BSR regulations

Aware	Not sure	Not aware	Aware and comply with BSR regulations

10. Please indicate if you are aware of and comply with international or national BSR regulations

	Types of BSR regulations	Compliance with BSR regulations
International		
National		

11. If your company is not aware of and does not comply with BSR regulations, please indicate the reason for this

_____

12. If your company is complying with BSR regulations, please indicate the reason for this

_____

13. The company's BSR policies are aligned with the Western Cape Province 's BSR regulations

Yes	No

13.1 If yes, please support your answer

_____

SECTION D: Implementation of Business Social Responsibility

14. Does your company implement any BSR activities?

Yes	No

14.1 If yes, please indicate the tourism BSR activities 'specifications

14.2. Please support your choice for such BSR activities

_____

14.3. How long has your company been using such BSR activities?

_____

15. How often does your company report its BSR activities?

Monthly	Quarterly	Annually	Other (specify)

16. Does your company report its BSR activities to any government department?

Yes	No

16.1 If yes, please identify the government department

17. What is the amount invested in your company's BSR activities?

18. What is the estimated monetary value of your company's BSR initiatives for the last 3-5 years?

19. What have been the challenges of implementing BSR initiatives in your business?

20. If your company has not yet implemented BSR initiatives ,please indicate the reason

21. Please provide suggestions for improving BSR activities in your company

22. Do you think BSR should be self-regulated or enforced?

23. Please support your answer

SECTION E: Business profile

24. Please indicate the type of business you operate

Accommodation		Attractions	
Transport		Tour operator	
Travel agency		Other (specify)	

25. Please indicate the name of your business

26. How long has your business being in operation?

27. Is your business a foreign or local business?

Foreign	
Local	

28. Please indicate the total number of employees and their race categories including gender

Number of staff	Race				Gender	
	Black	Coloured	Indian	White	F	M

29. What is the racial background of the owner?

Black	Coloured	Indian	White	Combination (specify)

30. Please indicate the location of your business

SECTION F: Respondent's profile

31. Please indicate position that you are holding in the company

---

32. In which department do you work?

---

33. What is your role in the implementation of BSR?

---

34. Please indicate your highest education level attained

No formal education	Partial primary	Primary completed	Secondary completed
Tertiary certificate/ diploma	Undergraduate degree	Postgraduate degree	Other(specify)

35. Please indicate your employment status

Full time employment	Part time employment	Student	Other(specify)

36. Please indicate your age range

18-20	21-30	31-40	41-50	51-60	61-70	70<

37. Please indicate your gender

Male	Female

38. Please indicate your historical racial category

African	Black	White	Coloured	Indian	Other (specify)

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

Annexure 'B': Key Informants, Communities' Questionnaire Survey

SOCIAL RESPONSIBILITY OF THE TOURISM BUSINESSES IN THE WESTERN CAPE PROVINCE OF SOUTH AFRICA

Interviewer's name:……………………………Questionnaire no: … Date………………………………

District and Municipality……………………………………………………………………………………….

The study is indented to evaluate the tourism business social responsibility activities and the policies that govern such activities within the Western Cape Province. The results that will emerge from study are hoped to improve the knowledge on social responsibility issues and its benefits among all tourism stakeholders to ensure sustainable tourism development. The opinions and views of the respondents are treated as strictly confidential as possible. The information will be accessible only to the researcher and the whole research team of the University. The study or any publications thereafter will not reveal the respondents' names, their organisations or community organisations. Your anonymity is therefore ensured. The questionnaire will take five minutes of your time and you may discontinue participation at any time without penalty.

Instructions

Please mark an appropriate answer with X and provide a full answer where open-ended questions are provided.

SECTION A: Awareness of Business Social Responsibility (BSR)

1. Do you belong to a tourism community forum or organisation?

Community organisation	
Tourism community forum	

   1.2. How long has a tourism community forum or community organisation been in operation?

2. Are you familiar with the tourism Business Social Responsibility activities in your tourism community forum or organisation?

Yes	No

   2.1 If yes, please indicate the nature of the BSR programmes that you receive?

Public Private Partnership	Partnership (Specify)	Other (Specify)

   3.1 Please indicate the name of the tourism businesses that are implementing the BSR activities in your tourism community forum or organisation

Name of tourism business	Type of tourism business

3.1   Please identify the BSR activities that are carried out by the identified tourism businesses

Education and training		Local infrastructure	
Provision of facilities		Donations	
Employment opportunities		Sponsorship	
Cash		Volunteers	
Other (specify)			

3.2   How long have the BSR initiatives been implemented by the identified tourism business (es)?

3.3   How long will the tourism businesses continue with such activities with your tourism community forum or organisation?

3.4   What have been the outcomes of these BSR initiatives?

3.5   Who initiated the BSR activities in your tourism community forum or community organisation?

Tourism community forum or community organisation	
Tourism business	
Government department (specify)	
Other (specify)	

3.6   How do you rate the tourism businesses' level of involvement is BSR initiatives with your tourism community forum or community organisation?

Excellent	
Good	
Average	
Poor	

1.6.1   Please support your answer

4.   How often do the tourism companies engage in BSR activities?

Daily	
Weekly	
Monthly	
Annually	
Other (specify)	

5.   Are you happy with the duration of these BSR activities in your tourism community forum or community organisation?

Yes	No

    5.1   Please support your answer

    6.   Please read the statements below and select either YES or NO to indicate your level of knowledge of BSR concepts

Statement	Yes	No
BSR activities have impacted positively on my community or organisation		
BSR helps in increasing the tourism businesses' profits		
BSR improves the transfer of knowledge and direct support of education		
Many tourism businesses are becoming key providers of aid to civil society		
Tourism businesses provide entry level employment		
Tourism businesses provide funding for repairs and maintenance of community facilities		
Donations are important for my community and organisation		

    7.   Which BSR activity is most impressive for your community forum or organisation?

Education and training		Local infrastructure	
Provision of facilities		Donations	
Employment opportunities		Sponsorship	
Cash		Volunteers	
Other (specify)			

7.1. Please support your answer

    8.   What are the challenges your community forum or organisation faces in regards to tourism businesses BSR implementation?

    9.   Please provide solutions for the above-mentioned challenges

SECTION B: Demographic profile

    10.   Please indicate the area that you belong to

Community forum (specify)	
Organisation (specify)	
Community member	
Other (specify)	

    11.   How many members belong to your tourism community forum or community organisation?

    12. Please indicate the age range of your community forum or organisation's members

18-20	21-30	31-40	41-50	51-60	61-70	70<

13. Please indicate gender of your members

Total number of males		Total number of females	

14. Please indicate the highest education level attained by your members

No formal education	Partial primary	Primary completed	Secondary completed
Tertiary certificate	Undergraduate degree	Postgraduate degree	Other

15. Please indicate employment status of your members

Full time employment	Part time employment	Unemployed	Housewife
student	Self-employed	Retired	Other

16. Please indicate place of origin

Rural	Urban	Township

17. Historical racial category of the members

African	Black	White	Coloured	Indian	Other (specify)

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

Annexure 'C': Key Informants, Government Questionnaire Survey

SOCIAL RESPONSIBILITY OF THE TOURISM BUSINESSES IN THE WESTERN CAPE PROVINCE OF SOUTH AFRICA

Interview's name:…………………………..Questionnaire no: ……Date………………………..

District and Municipality…………………………………………………………………………………..

The study is indented to evaluate the tourism business social responsibility activities and the policies that govern such activities within the Western Cape Province. The results that will emerge from study are hoped to improve the knowledge on social responsibility issues and its benefits among all tourism stakeholders to ensure sustainable tourism development. The opinions and views of the respondents are treated as strictly confidential as possible. The information will be accessible only to the researcher and the whole research team of the University. The study or any publications thereafter will not reveal the respondents' names, their organisations or community organisations. Your anonymity is therefore ensured. The questionnaire will take five minutes of your time and you may discontinue participation at any time without penalty.

Instructions

Please mark an appropriate answer with X and provide a full answer where open-ended questions are provided.

SECTION A: Awareness of Business Social Responsibility (BSR)

1. The department is committed to promoting BSR initiatives in the tourism industry

Yes	No

1.1 if yes, please indicate how this is achieved

_____

2. The department is also disseminating BSR ideas to tourism businesses

Yes	No

2.1 If yes, please indicate how the BSR ideas are being disseminated to the tourism industry

Labelling		Guidelines	
Toolkits		Naming poor performance	
Campaign		Other (specify)	

2.2 If no, please specify the reason

_____

3. Please indicate the type of tourism business that your department is currently working with in order to promote BSR ideas

	Type of tourism business	Total number of tourism businesses	
Tour operators			
Accommodation			
Car rentals			
Attractions			
Airlines			
Travel agency			
Other (Specify)			

3.1. If you are not supporting all the above tourism businesses, please state the reason

Geographical setting (specify)	
Minimum profit (specify)	
Size of business (specify)	
BEE companies (specify)	
Human Development Index	
Other (specify)	

4. Do any of the tourism businesses mentioned show interest in the idea of BSR?

Yes	No

5. If so, what type of incentives does your department provide to these tourism businesses to ensure sustainable BSR development?

Training and skills development	
Tax exemptions	
Award schemes	
Provide funding for research	
Building capacity for SMMEs	
Inclusion of information and reports on website	
Sponsorship guidelines that support BSR	
Other (specify)	

SECTION B: Government partnership with tourism businesses

6. Does your department have any form of partnership with the tourism private sector in relation to BSR ideas and issues?

Yes	No

7. If yes, please indicate if the department negotiated an agreement with the tourism company in regards to BSR implementation

Yes	No

8. If the agreement was negotiated, please indicate if it was enforced thereafter.

Yes	No

8.1.   If yes, please include how it was enforced.

Facilitator	
Moderator	
Initiator	
Other (specify)	

9. What is the role of your department in this partnership?

_____

10. How do you ensure competency in the implementation of the BSR ideas?

| Appointment of a lead government agency | | Establishing a newly government function | |
| Aligning BSR within an existing government function | | Other (specify) | |

11. How often does your department hold multi-stakeholder dialogues?

Every quarter		Annually	
Every semester		Every five year	
Other (specify)			

12. Please indicate the issues that are normally discussed in your various multi-stakeholder dialogues

Poverty reduction		Environmental issues	
Access to health		Safety	
Educational		Infrastructure	
Corruption		Other (specify)	

13. Does your department mobilise financial resources for BSR ideas?

| Yes | No |
| | |

a. If yes, please specify

Subsidies		Prizes	
Grants		Awards	
Other (specify)			

b. Please also indicate the amount

_____

14. Which other resources does the department provide to the tourism industry or company in order to promote BSR?

_____

SECTION C: Implementation of soft law (non-regulatory) intervention

15. Does the department apply any universal principles of BSR?

| UN Global Compact | | OECD Guidelines for Multinational Enterprise | |
| Responsible Investment | | Other (specify) | |

16. Please indicate if the department includes the BSR criteria in public procurement procedures

| Yes | No |
| | |

17. Does a national plan on BSR exist in SA?

Yes	No

18. Do you have guidelines for BSR reporting?

Yes	No

      a.   If yes, please specify

_____

Human rights violations	Corruption	
Water scarcity	Other (specify)	

SECTION D: Adoption of BSR mandating instruments

19. Does the department ensure that the tourism industry policies comply with BSR

Yes	No

19.1 If yes, please specify

_____

20. How does the tourism industry report on its BSR activities?

_____

21. Are there any sanctions imposed on the tourism businesses that do not comply with BSR policies?

Yes	No

      a.   if yes, please specify

_____

22. Does the tourism industry comply with BSR criteria?

Yes	No

23. Please outline some of the BSR activities you have supported

_____

24. What are you expecting the tourism industry to do in order to ensure smooth implementation of BSR?

_____

25. How do you evaluate the impact of tourism BSR activities?

_____

26. What are the challenges in the implementation of BSR activities?

27. Please provide solutions to the mentioned tourism BSR challenges

---

SECTION E: Department profile

28. Which government sphere does your department fall under?

Provincial government	
Local government (municipality)	
Local government (district)	

29. Name of relevant department/section responsible for BSR implementation

---

30. Number of years in operation of such department or section

---

31. Number of years in promoting BSR ideas

---

32. Total estimated annual budget for the relevant department

---

33. Total estimated budget towards the implementation of BSR ideas

---

34. Historical racial category of the employees in the relevant department or section

Black	Coloured	Indian	White	Combination (specify)

35. Total number of employees responsible for BSR implementation

---

36. Highest level of education of employees responsible for the implementation of BSR ideas

No formal education	Partial primary	Primary completed	Secondary completed
Tertiary certificate	Undergraduate degree	Post graduate degree	Other specify

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

Annexure 'D': Results of Statistical Analyses

Distributions

A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?
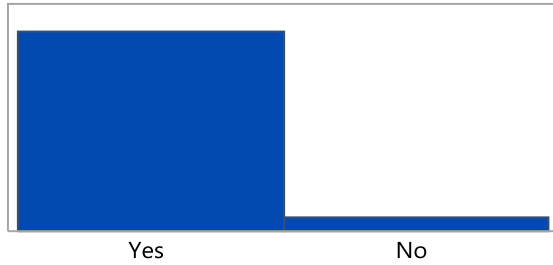
Frequencies

Level	Count	Prob
Yes	418	0,93933
No	27	0,06067
Total	445	1,00000

N Missing

7

2 Levels

A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?

Freq		Yes	No	Total Response
Share		Yes	No	Response
Response	A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?	418	27	445
		93,9%	6,1%	

Share Chart				
		Yes	No	445
Response	company have any nship with the local ployees, customers uppliers?			

A.3. Does your company have a BSR policy that governs its activities?

| Yes | No | Not sure |

Frequencies

Level	Count	Prob
Yes	137	0,32775
No	240	0,57416
Not sure	41	0,09809
Total	418	1,00000

N Missing

34

3 Levels

A.3. Does your company have a BSR policy that governs its activities?

Freq		Yes	No	Not sure	Total Response
Share					
Response	A.3. Does your company have a BSR policy that governs its activities?	137	240	41	418
		32,8%	57,4%	9,8%	

Share Chart					
		Yes	No	Not sure	
Response	A.3. Does your company have a BSR policy that governs its activities?				418

C.1. Please indicate your company's level of awareness and compliance with BSR regulations

Aware   Not Aware   Aware and comply with BSR ...
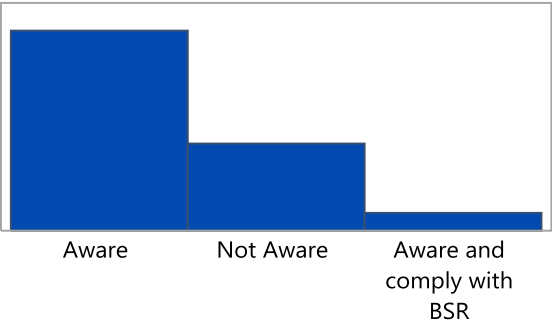
Frequencies

Level	Count	Prob
Aware	222	0,66467
Not Aware	95	0,28443
Aware and comply with BSR regulations	17	0,05090
Total	334	1,00000

N Missing

118

3 Levels

C.1. Please indicate your companys level of awareness and compliance with BSR regulations

Freq Share	Aware	Not Aware	Aware and comply with BSR regulation	Total Responses
Response — C.1. Please indicate your companys level of awareness and compliance with BSR regulations	222 66,5%	95 28,4%	17 5,1%	334

Share Chart	Aware	Not Aware	Aware and comply with BSR regulation	
Response — C.1. Please indicate your companys level of awareness and compliance with BSR regulations				334

C.5. the company's BSR activities are aligned with the Western Cape Province BSR regulations
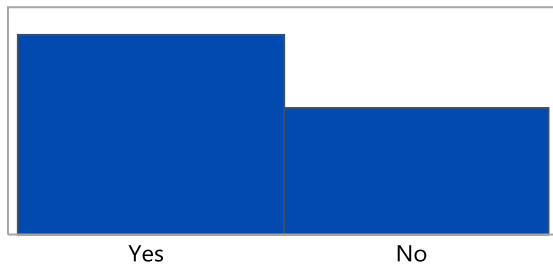
Frequencies

Level	Count	Prob
Yes	147	0,61506
No	92	0,38494
Total	239	1,00000

N Missing

213

2 Levels

C.5. The companys BSR activities are aligned with the Western Cape Province ës BSR regulations

	Freq			Total
	Share	Yes	No	Response
Response	C.5. The companys BSR activities are aligned with the Western Cape Province ës BSR regulations	147	92	239
		61,5%	38,5%	

	Share Chart			
		Yes	No	
Response	C.5. The companys BSR activities are aligned with the Western Cape Province ës BSR regulations			239

D.1. Does your company use any BSR indicators?
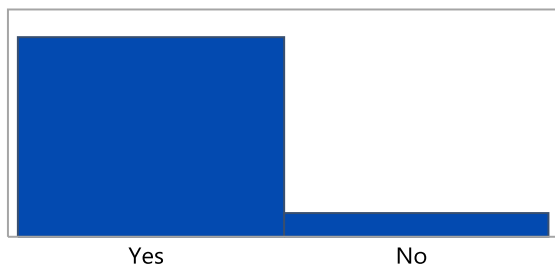
Yes   No

Frequencies

Level	Count	Prob
Yes	309	0,90087
No	34	0,09913
Total	343	1,00000

N Missing

109

2 Levels

D.1. Does your company use any BSR indicators?

	Freq			Total
	Share	Yes	No	Response
Response	D.1. Does your company use any BSR indicators	309	34	343
		90,1%	9,9%	

Share Chart			
	Yes	No	
Response	D.1. Does your company use any BSR indicators		343

D.5. Does your company report its BSR activities to any government department?
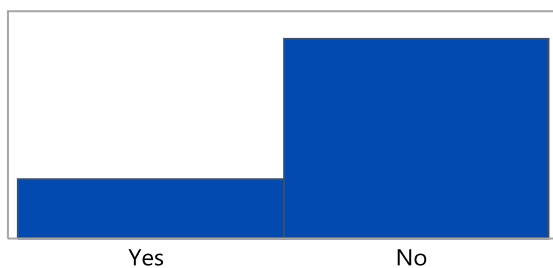
| Yes | No |

Frequencies

Level	Count	Prob
Yes	70	0,22364
No	243	0,77636
Total	313	1,00000

N Missing

139

2 Levels

	D.5. Does your company report its BSR activities to any government department?			

	Freq			Total
	Share	Yes	No	Response
Response	D.5. Does your company report its BSR activities to any government department	70	243	313
		22,4%	77,6%	

Share Chart			
	Yes	No	
Response	D.5. Does your company report its BSR activities to any government department		313
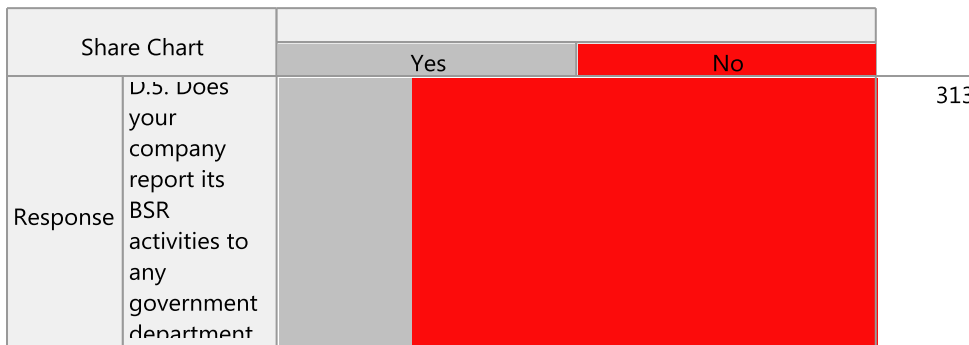
E.1. Please indicate the type of business you operate
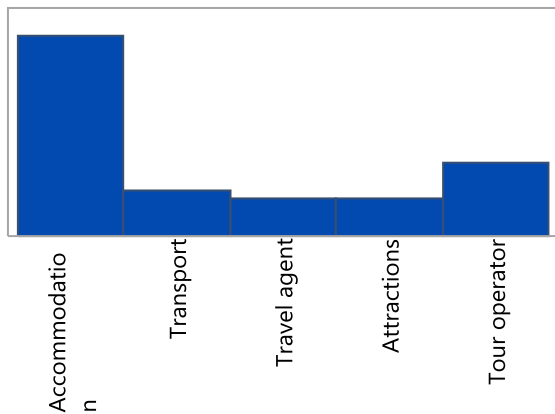
Frequencies

Level	**Count**	**Prob**
Accommodation	212	0,51582
Transport	46	0,11192
Travel agent	38	0,09246

Level	Count	Prob
Attractions	39	0,09489
Tour operator	76	0,18491
Total	411	1,00000

 N Missing

41

5 Levels

E.1. Please indicate the type of business you operate

Freq		Accommodation	Transport	Travel agent	Attractions	Tour operato	Total Responses
Share							
Response	E.1. Please indicate the type of business you operate	212	46	38	39	76	411
		51,6%	11,2%	9,2%	9,5%	18,5%	

Share Chart		Accommodation	Transport	Travel age	Attractions	Tour operato	
Response	E.1. Please indicate the type of business you operate						411
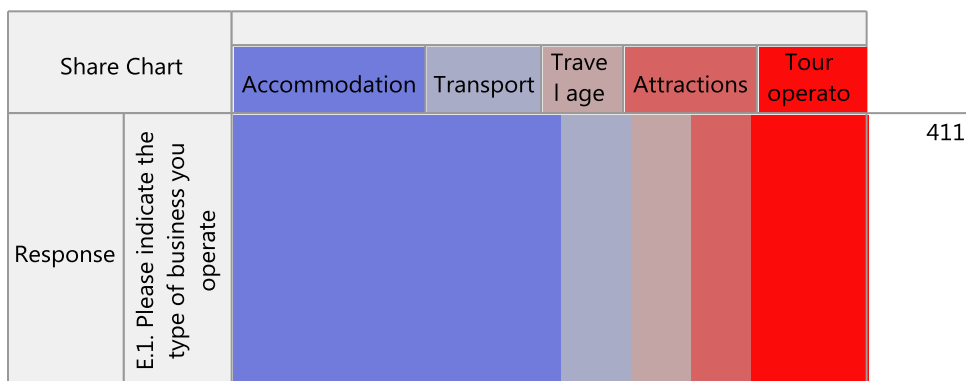
E.5. is your business a foreign or local business?
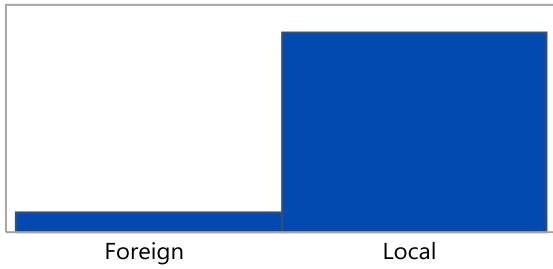
Frequencies

Level	Count	Prob
Foreign	34	0,07981
Local	392	0,92019
Total	426	1,00000

N Missing

26

2 Levels

E.5. Is your business a foreign or local business?

Freq				Total
	Share	Foreign	Local	Response
Response	E.5. Is your business a foreign or local business	34	392	426
		8,0%	92,0%	

Share Chart				
		Foreign	Local	
Response	E.5. Is your business a foreign or local business			426

E.7. what is the racial background of the owner?
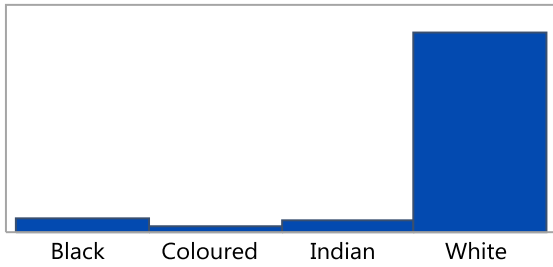
Frequencies

Level	Count	Prob
Black	19	0,04974
Coloured	7	0,01832
Indian	18	0,04712
White	338	0,88482
Total	382	1,00000

N Missing

70

4 Levels

E.7. What is the racial background of the owner?

	Freq					Total
	Share	Black	Coloured	Indian	White	Response
Response	E.7. What is the racial background of the owner?	19 5,0%	7 1,8%	18 4,7%	338 88,5%	382

	Share Chart					
		Black	Coloured	Indian	White	
Response	E.7. What is the racial background of the owner?					382

F.4. Please indicate your highest education level attained
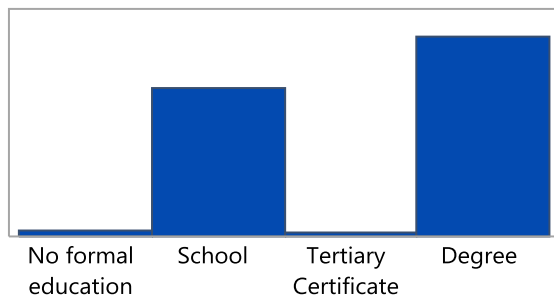
Frequencies

Level	Count	Prob
No formal education	5	0,01157
School	180	0,41667
Tertiary Certificate	3	0,00694
Degree	244	0,56481
Total	432	1,00000

 N Missing

20

4 Levels

F.4. Please indicate your highest education level attained

Freq		No formal ed	Partial primar	Primary complete	Secondary complet	Tertiary Certificat	Undergraduate degree	Postgraduate degree	Total Responses
Share									
Response	F.4. Please indicate your highest education level attained	5 1,2%	14 3,2%	147 34,0%	19 4,4%	3 0,7%	162 37,5%	82 19,0%	432

Share Chart		No formal ed	Partial primar	Primary complete	Secondary complet	Tertiary Certificat	Undergraduate degree	Postgraduate degree	
Response	F.4. Please indicate your highest education level attained								432

F.5. Please indicate your employment status
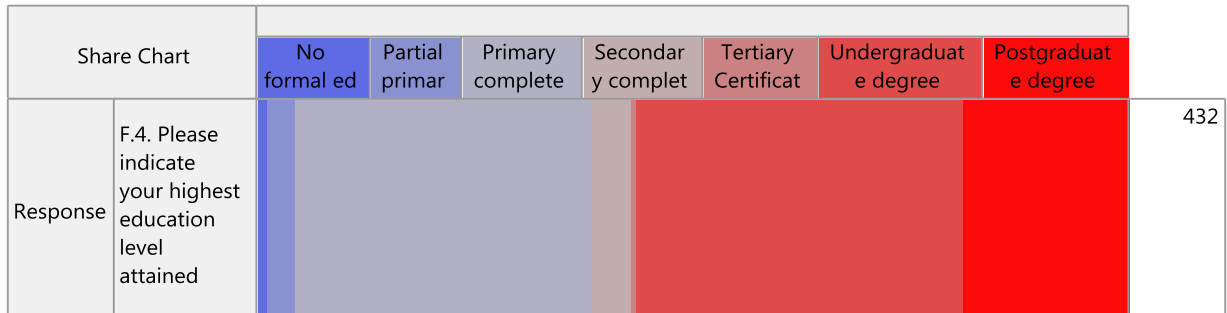
Fulltime Employed   Parttime   Student
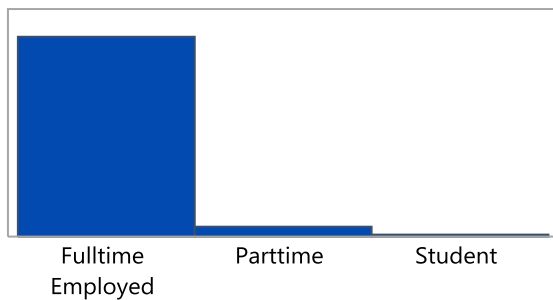
Frequencies

Level	Count	Prob
Fulltime Employed	421	0,95682
Part-time	17	0,03864
Student	2	0,00455
Total	440	1,00000

N Missing

12

3 Levels

F.5. Please indicate your employment status

	Freq				Total
	Share	Fulltime Employe	Parttime	Student	Responses
Response	F.5. Please indicate your employment status	421 95,7%	17 3,9%	2 0,5%	440

Share Chart				
		Fulltime Employed	Parttime	Student
Response	F.5. Please indicate your employment status			440
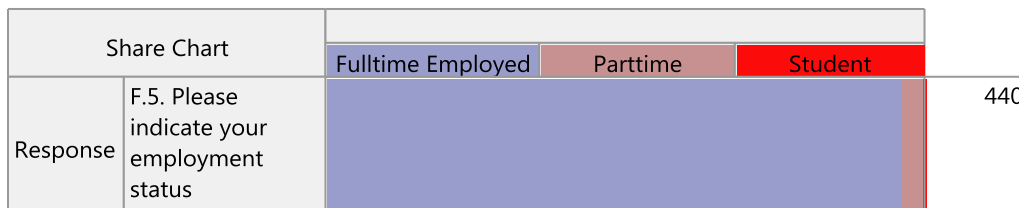
F.7. Please indicate your gender
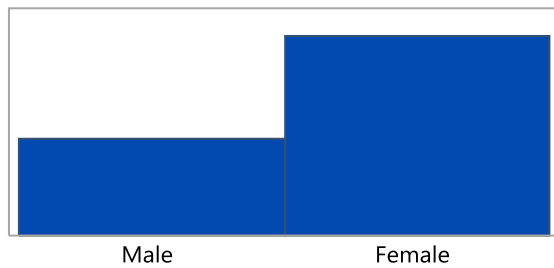
Male   Female

Frequencies

Level	Count	Prob
Male	143	0,32280
Female	300	0,67720
Total	443	1,00000

N Missing

9

2 Levels

F.7. Please indicate your gender

	Freq			Total
	Share	Male	Female	Response
Response	F.7. Please indicate your gender	143 32,3%	300 67,7%	443

Share Chart				
		Male	Female	
Response	F.7. Please indicate your gender			443
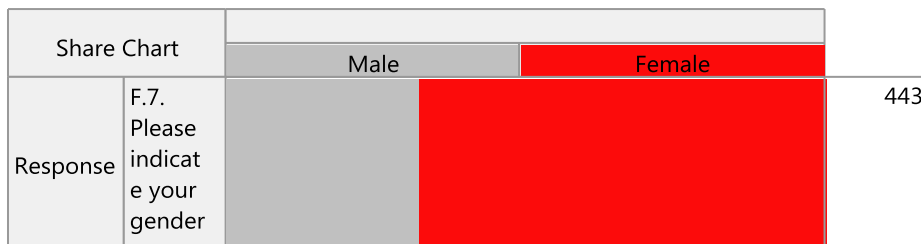
F.8. Please indicate your historical racial category
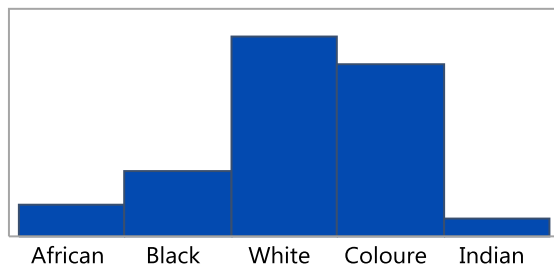
Frequencies

Level	Count	Prob
African	28	0,06364
Black	58	0,13182
White	183	0,41591
Coloured	157	0,35682
Indian	14	0,03182
Total	440	1,00000

N Missing

12

5 Levels

F.8. Please indicate your historical racial category

Freq		African	Black	White	Coloured	Indian	Total Response
Share							
Response	F.8. Please indicate your historical racial category	28	58	183	157	14	440
		6,4%	13,2%	41,6%	35,7%	3,2%	

Share Chart		African	Black	White	Coloured	Indian	
Response	F.8. Please indicate your historical racial category						440
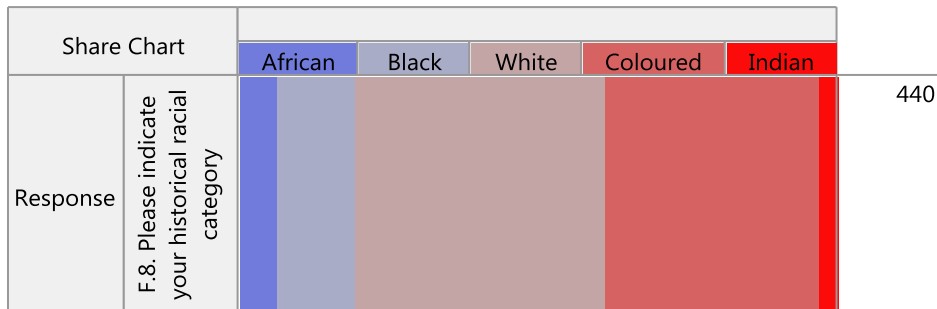
RESPONDENTS' PROFILE (Biographical data)

F.4. Please indicate your highest education level attained

Freq Share		No formal education	Partial primary	Primary completed	Secondary completed	Tertiary Certificate	Undergrad degree	Postgrad degree	Total Responses
Response	F.4. Please indicate your highest education level attained	5 1,2%	14 3,2%	147 34,0%	19 4,4%	3 0,7%	162 37,5%	82 19,0%	432

F.5. Please indicate your employment status

Freq Share					Total Responses
		Fulltime Employed	Part-time	Student	Total Responses
Response	F.5. Please indicate your employment status	422 95,7%	17 3,9%	2 0,5%	441

F.6. Please indicate your age range

Freq Share									Total Responses
		18-20	21-30	31-40	41-50	51-60	61-70	>70	Total Responses
Response	F.6. Please indicate your age range	5 1,1%	198 44,7%	151 34,1%	58 13,1%	21 4,7%	8 1,8%	2 0,5%	443

F.7. Please indicate your gender

Freq Share					Total Responses
			Male	Female	Total Responses
Response	F.7. Please indicate your gender		144 32,4%	300 67,6%	444
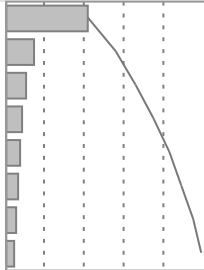
F.8. Please indicate your historical racial category

Freq Share							Total Responses

		African	Black	White	Colored	Indian	Total Responses
Response	F.8. Please indicate your historical racial category	28 6,3%	59 13,4%	183 41,5%	157 35,6%	14 3,2%	441

Factor Analysis: 1.1-1.8

Eigenvalues

Number	Eigenvalue	Percent	20 40 60 80	Cum Percent
1	3,3321	41,651		41,651
2	1,1397	14,246		55,896
3	0,8142	10,177		66,074
4	0,7141	8,926		75,000
5	0,6355	7,944		82,944
6	0,4935	6,169		89,113
7	0,4742	5,928		95,041
8	0,3968	4,959		100,000

Scree Plot
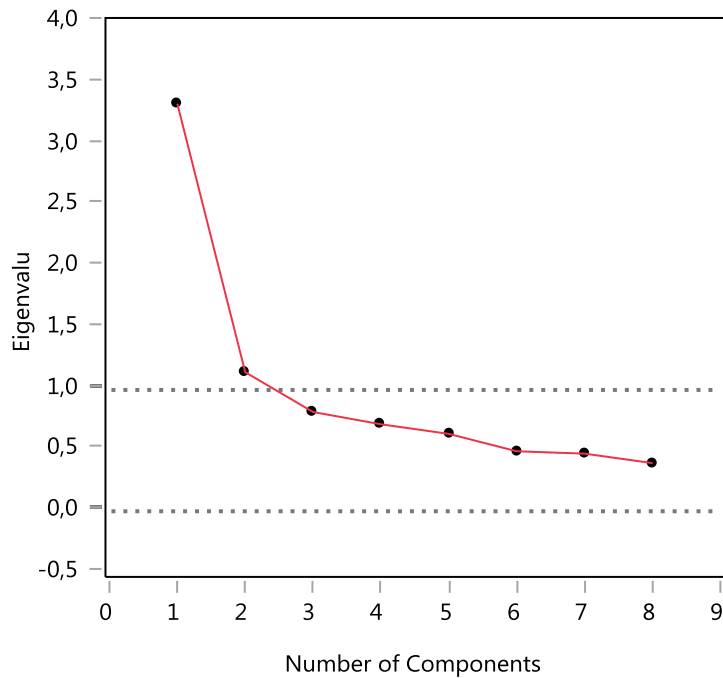
Factor Analysis on Correlations with 2 Factors: Maximum Likelihood / Varimax

Final Communality Estimates

B.1.1. The company encourages its employees to develop their skills and long-term career	0,37203

B.1.2. Any form of discrimination in the company is discouraged	0,30005
B.1.3. Employees are included in important discussions in the company	0,48949
B.1.4. Employees health, safety and welfare are taken into consideration by the company	0,54782
B.1.5. A work-life balance is provided to employees	0,43640
B.1.6. Business reap the benefits of loyal customers	0,28207
B.1.7. BSR teaches teamwork skills to employees	0,44316
B.1.8. BSR programs are initiated and guided by top managers	0,42893

Variance Explained by Each Factor

Factor	Variance	Percent	Cum Percent
Factor 1	1,6982	21,227	21,227
Factor 2	1,6018	20,022	41,249

Significance Test

Test	DF	ChiSquare	Prob>ChiSq
H0: no common factors.	28,000	834,565	<,0001*
HA: at least one common factor.			

Test	DF	ChiSquare	Prob>ChiSq
H0: 2 factors are sufficient.	13,000	57,262	<,0001*
HA: more factors are needed.			

Rotated Factor Loading

Items	Communalities	Factor 1 loadings	Factor 2 loadings

360

Items	Communalities	Factor 1 loadings	Factor 2 loadings
B.1.1. The company encourages its employees to develop their skills and long-term career	0,37	0,13	0,59
B.1.2. Any form of discrimination in the company is discouraged	0,30	0,28	0,46
B.1.3. Employees are included in important discussions in the company	0,48	0,14	0,68
B.1.4. Employees health, safety and welfare are taken into consideration by the company	0,54	0,49	0,54
B.1.5. A work-life balance is provided to employees	0,43	0.53	0.38
B.1.6. Business reap the benefits of loyal customers	0,28	0.52	0.07
B.1.7. BSR teaches teamwork skills to employees	0,44	0.61	0.24
B.1.8. BSR programs are initiated and guided by top managers	0,42	0.61	0.21
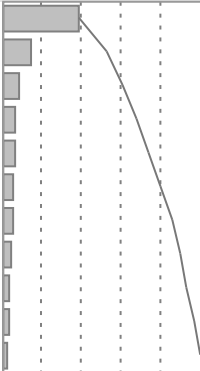
Factor Loading Plot
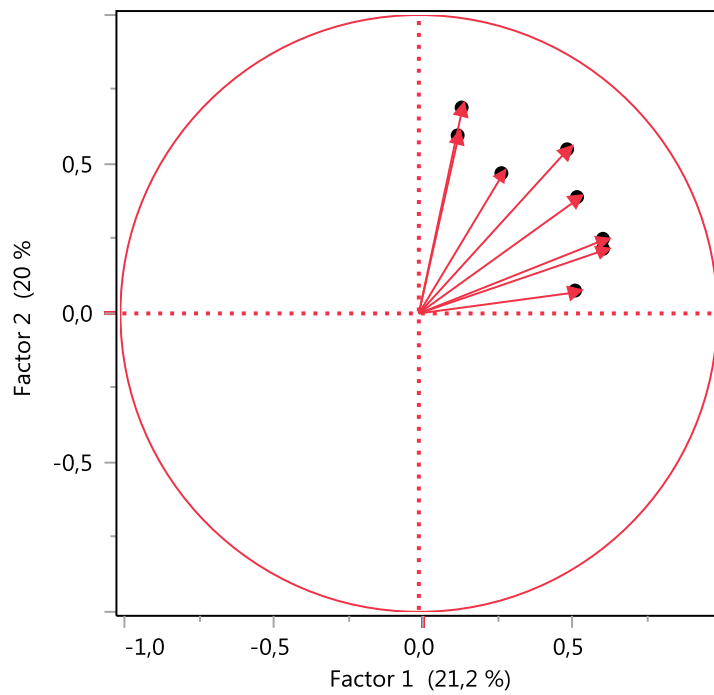
[X]

Factor Analysis: 3.1-3.11

Eigenvalues

Number	Eigenvalue	Percent	20 40 60 80	Cum Percent
1	4,3182	39,256		39,256
2	1,5677	14,251		53,508
3	0,8892	8,084		61,591
4	0,7462	6,784		68,375
5	0,6889	6,262		74,637
6	0,6309	5,736		80,373
7	0,6140	5,582		85,955
8	0,4963	4,512		90,467
9	0,3769	3,426		93,893
10	0,3591	3,264		97,157
11	0,3127	2,843		100,000

Scree Plot
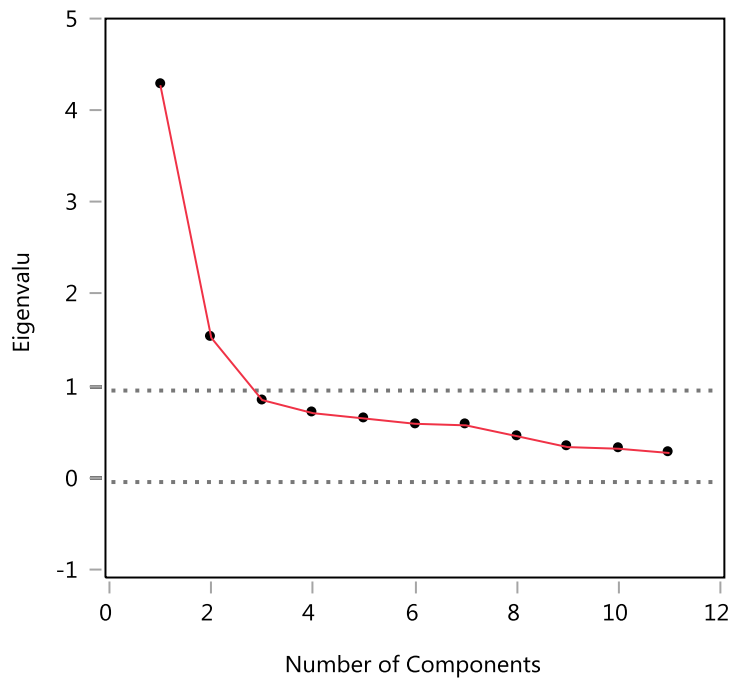
Factor Analysis on Correlations with 2 Factors: Maximum Likelihood / Varimax

Final Communality Estimates

B.3.1. The company ensures honesty and quality in its contracts and products with customers and suppliers	0,56258
B.3.2.The company's products have adequate information	0,26680
B.3.3. Suppliers are paid on time by the company	0,59026
B.3.4. Customers complain box is available and clearly displayed	0,35596
B.3.5. Customers complaints are resolved timeously by the company	0,38645
B.3.6. Corporation with other companies and organizations is encouraged by the company	0,32595
B.3.7. The company provides training for local communities	0,53623
B.3.8. Dialogues with communities takes place on regular basis	0,61731
B.3.9. Employees are encouraged to participate in local community activities by the company	0,59073
B.3.10. Local communities are receiving financial support from the company	0,34945
B.3.11. BSR assists in the recruitment of local community members	0,26488

Variance Explained by Each Factor

Factor	Variance	Percent	Cum Percent
Factor 1	2,4515	22,286	22,286
Factor 2	2,3951	21,774	44,060

Significance Test

Test	DF	ChiSquare	Prob>ChiSq
Ho: no common factors.	55,000	1393,599	<,0001*
HA: at least one common factor.			

Test	DF	ChiSquare	Prob>ChiSq
Ho: 2 factors are sufficient.	34,000	119,733	<,0001*
HA: more factors are needed.			

Rotated Factor Loading

Items	Communalities	Factor 1 loadings	Factor 2 loadings

Items	Communalities	Factor 1 loadings	Factor 2 loadings
B.3.8. Dialogues with communities takes place on regular basis	0,56258	0,7675239	0,1679712
B.3.9. Employees are encouraged to participate in local community activities by the company	0,26680	0,7373784	0,2168125
B.3.7. The company provides training for local communities	0,59026	0,6797080	0,2724466
B.3.10. Local communities are receiving financial support from the company	0,35596	0,5838280	0,0926915
B.3.11. BSR assists in the recruitment of local community members	0,38645	0,4337990	0,2769365
B.3.3. Suppliers are paid on time by the company	0,32595	0,1241606	0,7581835
B.3.1. The company ensures honesty and quality in its contracts and products with customers and suppliers	0,53623	0,1217427	0,7401053
B.3.5. Customers complaints are resolved timeously by the company	0,61731	0,1703814	0,5978501
B.3.4. Customers complain box is available and clearly displayed	0,59073	0,3143346	0,5071072
B.3.2.The company's products have adequate information	0,34945	0,2034901	0,4747545
B.3.6. Corporation with other companies and organizations is encouraged by the company	0,26488	0,3579879	0,4447407

Factor Loading Plot
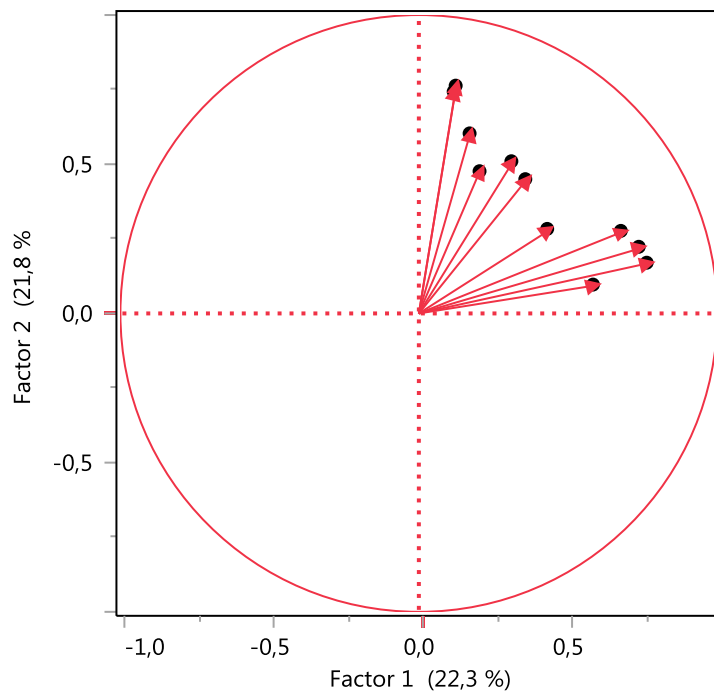
Item analyses:

Responsibility: B.1.1.-B.1.4.

Cronbach's α

α Plot Alpha

Entire set   0,7162

Excluded	α
B.1.1. The company encourages its employees to develop their skills and long-term career	0,6466
B.1.2. Any form of discrimination in the company is discouraged	0,6776
B.1.3. Employees are included in important discussions in the company	0,6486
B.1.4. Employees health, safety and welfare are taken into consideration by the company	0,6451

Accountability: B.1.5.-B.1.8.

α Plot Alpha

Entire set   0,7035

Excluded	α
B.1.5. A work-life balance is provided to employees	0,6486
B.1.6. Business reap the benefits of loyal customers	0,6872
B.1.7. BSR teaches teamwork skills to employees	0,5899
B.1.8. BSR programs are initiated and guided by top managers	0,6366

Transparency: B.3.1.-B.3.6.

α Plot Alpha

Entire set   0,7592

Excluded	α
B.3.1. The company ensures honesty and quality in its contracts and products with customers and suppliers	0,7197
B.3.2.The company's products have adequate information	0,7411
B.3.3. Suppliers are paid on time by the company	0,7064
B.3.4. Customers complain box is available and clearly displayed	0,7447
B.3.5. Customers complaints are resolved timeously by the company	0,7061
B.3.6. Corporation with other companies and organizations is encouraged by the company	0,7320

Fairness: B.3.7.-B.3.11.

α Plot Alpha

Entire set   0,8021

Excluded	α
B.3.7. The company provides training for local communities	0,7513
B.3.8. Dialogues with communities takes place on regular basis	0,7326
B.3.9. Employees are encouraged to participate in local community activities by the company	0,7397
B.3.10. Local communities are receiving financial support from the company	0,7855
B.3.11. BSR assists in the recruitment of local community members	0,8048

Regression: Whole Model

Responsibility with A1, A3, C1, C5, D1 and D5

Whole Model

Actual by Predicted Plot
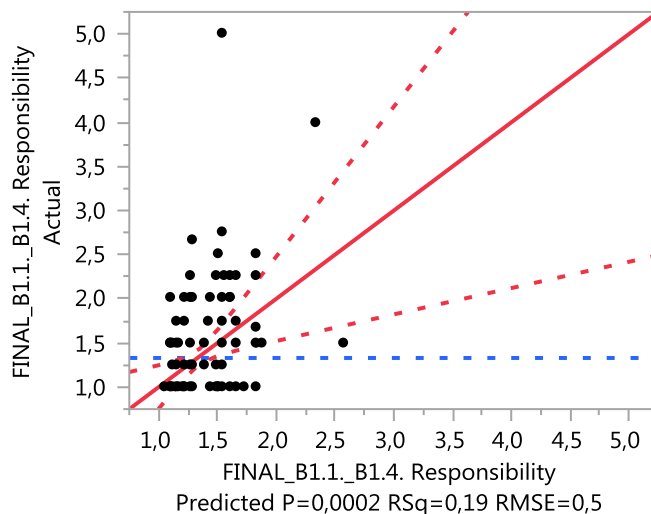
Summary of Fit

RSquare	0,188343
RSquare Adj	0,141963

Root Mean Square Error   0,518467

Mean of Response   1,329418

Observations (or Sum Wgts)   149

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	8	8,732675	1,09158	4,0608
Error	140	37,633097	0,26881	**Prob > F**
C. Total	148	46,365772		0,0002*

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	23	9,119325	0,396492	1,6269
Pure Error	117	28,513772	0,243707	**Prob > F**
Total Error	140	37,633097		0,0489*
				Max RSq

Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	1,6349226	0,146544	11,16	<,0001
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?[Yes]	-0,342621	0,112027	-3,06	0,0027
A.3. Does your company have a BSR policy that governs its activities?[Yes]	-0,013602	0,08698	-0,16	0,8760
A.3. Does your company have a BSR policy that governs its activities?[No]	0,0384006	0,087802	0,44	0,6625
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Not Aware-Aware]	0,3930745	0,108223	3,63	0,0004

369

C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Aware and comply with BSR regulations-Not Aware]	-0,217437	0,181406	-1,20	0,2327
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations[Yes]	0,0576884	0,052014	1,11	0,2693
D.1. Does your company use any BSR indicators?[Yes]	-0,171788	0,086957	-1,98	0,0502
D.5. Does your company report its BSR activities to any government department?[Yes]	-0,050689	0,053842	-0,94	0,3481

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?	1	1	2,5143503	9,3537	0,0027*
A.3. Does your company have a BSR policy that governs its activities?	2	2	0,0882304	0,1641	0,8488
C.1. Please indicate your company's level of awareness and compliance with BSR regulations	2	2	3,6477080	6,7850	0,0015*
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations	1	1	0,3306598	1,2301	0,2693
D.1. Does your company use any BSR indicators?	1	1	1,0490961	3,9028	0,0502
D.5. Does your company report its BSR activities to any government department?	1	1	0,2382463	0,8863	0,3481

Residual by Predicted Plot
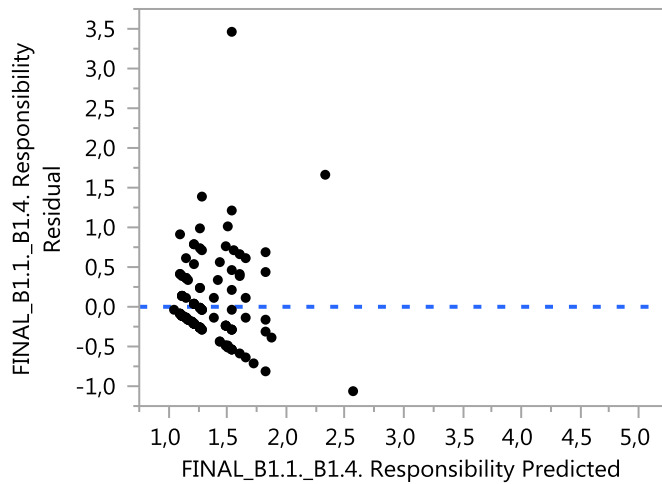
Stepwise Regression

Responsibility with A1, A3, C1, C5, D1 and D5

SSE	SSE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
39,633586	39,633586	0,521021	0,1452	0,1335	4,4420798	3	233,8053	245,5433

DFE
146

Current Estimates

Lock	Entered	Parameter	Estimate	nDF	SS	"F Ratio"	"Prob>F"
☑	☑	Intercept	1,72050432	1	0	0,000	1
☐	☑	A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?{Yes-No}	-0,3630505	1	3,035942	11,184	0,00105
☐	☐	A.3. Does your company have a BSR policy that governs its activities?{Not sure&Yes-No}	0	1	0,201817	0,742	0,3904
☐	☐	A.3. Does your company have a BSR policy that governs its activities?{Not sure-Yes}	0	2	0,221441	0,405	0,66804
☐	☑	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Aware-Not Aware&Aware and comply with BSR regulation	-0,1673312	1	3,683171	13,568	0,00032
☐	☐	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Not Aware-Aware and comply with BSR regulations}	0	1	0,48898	1,811	0,18045
☐	☐	C.5. The companyís BSR activities are aligned with the Western Cape Province ës BSR regulations{Yes-No}	0	1	0,00475	0,017	0,8953
☐	☐	D.1. Does your company use any BSR indicators?{Yes-No}	0	1	0,858595	3,211	0,07524
☐	☐	D.5. Does your company report its BSR activities to any government department?{Yes-No}	0	1	0,592758	2,202	0,14004

Step History

Step	Parameter	Action	"Sig Prob"	Seq SS	RSquare	Cp	p	AICc	BIC	
1	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Aware-Not Aware&Aware and comply with BSR regulation	Entered	0,0005	3,696244	0,0797	13,736	2	242,69	251,537	○
2	A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?{Yes-No}	Entered	0,0010	3,035942	0,1452	4,4421	3	233,805	245,543	○
3	D.1. Does your company use any BSR indicators?{Yes-No}	Entered	0,0752	0,858595	0,1637	3,248	4	232,684	247,284	○
4	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Not Aware-Aware and comply with BSR regulations}	Entered	0,1510	0,553305	0,1756	3,1896	5	232,714	250,146	○
5	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Not Aware-Aware and comply with BSR regulations}	Remove	0,1510	0,553305	0,1637	3,248	4	232,684	247,284	○
6	D.1. Does your company use any BSR indicators?{Yes-No}	Remove	0,0752	0,858595	0,1452	4,4421	3	233,805	245,543	◉

Regression: Whole Model

Responsibility with E1, E5, E7, F4, F5, F7, and F8

Whole Model

Actual by Predicted Plot

FINAL_B1.1._B1.4. Responsibility
Predicted P<.0001 RSq=0,20 RMSE=0,50
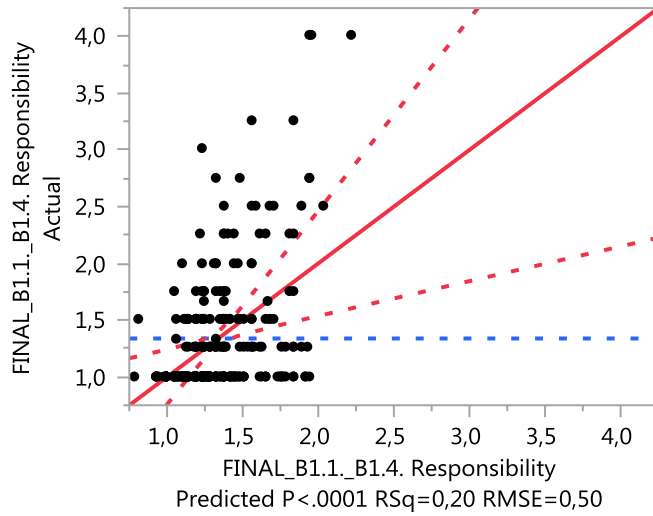
Summary of Fit

RSquare	0,203838
RSquare Adj	0,142143
Root Mean Square Error	0,50043
Mean of Response	1,338453
Observations (or Sum Wgts)	293

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	21	17,375655	0,827412	3,3040
Error	271	67,866665	0,250430	**Prob > F**
C. Total	292	85,242321		<,0001*

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	111	40,947106	0,368893	2,1926

Source	DF	Sum of Squares	Mean Square	F Ratio
Pure Error	160	26,919559	0,168247	**Prob > F**
Total Error	271	67,866665		<,0001*
				Max RSq

Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	1,4056274	0,216602	6,49	<,0001*
E.1. Please indicate the type of business you operate[Accommodation]	0,0254478	0,051585	0,49	0,6222
E.1. Please indicate the type of business you operate[Transport]	-0,062404	0,076507	-0,82	0,4154
E.1. Please indicate the type of business you operate[Travel agent]	0,1246891	0,087989	1,42	0,1576
E.1. Please indicate the type of business you operate[Attractions]	-0,108895	0,090079	-1,21	0,2278
E.5. Is your business a foreign or local business?[Foreign]	0,1918008	0,0578	3,32	0,0010*
E.7. What is the racial background of the owner?[Black]	-0,434859	0,132653	-3,28	0,0012*
E.7. What is the racial background of the owner?[Coloured]	0,123992	0,167522	0,74	0,4598
E.7. What is the racial background of the owner?[Indian]	0,2311664	0,129308	1,79	0,0749
F.4. Please indicate your highest education level attained[No formal education]	-0,374927	0,265503	-1,41	0,1591
F.4. Please indicate your highest education level attained[Partial primary]	0,2729458	0,141418	1,93	0,0546
F.4. Please indicate your highest education level attained[Primary completed]	-0,006413	0,081801	-0,08	0,9376
F.4. Please indicate your highest education level attained[Secondary completed]	0,1872067	0,145969	1,28	0,2008
F.4. Please indicate your highest education level attained[Tertiary Certificate]	0,1003996	0,255821	0,39	0,6950
F.4. Please indicate your highest education level attained[Undergraduate degree]	-0,06167	0,080259	-0,77	0,4429
F.5. Please indicate your employment status[Fulltime Employed]	0,1291657	0,183351	0,70	0,4817
F.5. Please indicate your employment status[Parttime]	0,2458914	0,196154	1,25	0,2111
F.7. Please indicate your gender[Male]	-0,026593	0,036054	-0,74	0,4614
F.8. Please indicate your historical racial category[African]	0,4273147	0,115836	3,69	0,0003*
F.8. Please indicate your historical racial category[Black]	0,1513164	0,092431	1,64	0,1028

Term	Estimate	Std Error	t Ratio	Prob>|t|
F.8. Please indicate your historical racial category[White]	-0,216841	0,068907	-3,15	0,0018*
F.8. Please indicate your historical racial category[Coloured]	-0,085353	0,065368	-1,31	0,1927

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
E.1. Please indicate the type of business you operate	4	4	0,8726894	0,8712	0,4816
E.5. Is your business a foreign or local business?	1	1	2,7575994	11,0114	0,0010*
E.7. What is the racial background of the owner?	3	3	3,0514223	4,0616	0,0076*
F.4. Please indicate your highest education level attained	6	6	2,5532480	1,6992	0,1212
F.5. Please indicate your employment status	2	2	0,4090306	0,8167	0,4430
F.7. Please indicate your gender	1	1	0,1362428	0,5440	0,4614
F.8. Please indicate your historical racial category	4	4	5,8576734	5,8476	0,0002*

Residual by Predicted Plot
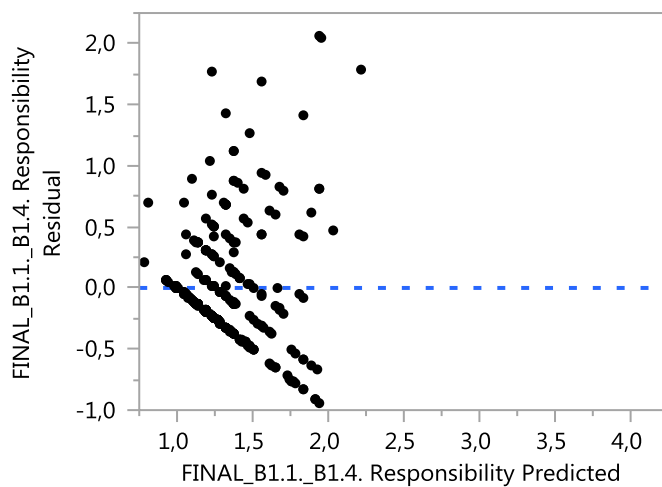
Stepwise Regression

Responsibility with E1, E5, E7, F4, F5, F7, and F8

SSE	DFE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
69,423793	284	0,4944188	0,1856		0,1626	2,2178027	9	430,3748	466,3964

Current Estimates

Lock	Entered	Parameter	Estimate	nDF	SS	"F Ratio"	"Prob>F"
☑	☑	Intercept	1,64258001	1	0	0,000	1
☐	☑	E.1. Please indicate the type of business you operate{Attractions&Tour operator&Transport-Travel agent&Accommodation}	-0,0400035	1	0,421205	1,723	0,19036
☐	☐	E.1. Please indicate the type of business you operate{Attractions-Tour operator&Transport}	0	1	0,181955	0,744	0,38922
☐	☐	E.1. Please indicate the type of business you operate{Tour operator-Transport}	0	2	0,329122	0,672	0,51169
☐	☐	E.1. Please indicate the type of business you operate{Travel agent-Accommodation}	0	1	0,094139	0,384	0,53583
☐	☑	E.5. Is your business a foreign or local business?{Local-Foreign}	-0,2017221	1	3,214879	13,151	0,00034
☐	☑	E.7. What is the racial background of the owner?{Black-Coloured&White&Indian}	-0,2301301	1	2,371617	9,702	0,00203
☐	☐	E.7. What is the racial background of the owner?{Coloured&White-Indian}	0	1	0,202711	0,829	0,36341
☐	☐	E.7. What is the racial background of the owner?{Coloured-White}	0	2	0,222564	0,453	0,63587
☐	☑	F.4. Please indicate your highest education level attained{No formal education&Postgraduate degree&Undergraduate degree&Primary completed&Tertiary Certificate-Secondary completed&Partial primar	-0,1690147	2	2,486738	5,086	0,00676
☐	☑	F.4. Please indicate your highest education level attained{No formal education&Postgraduate degree-Undergraduate degree&Primary completed&Tertiary Certificate}	-0,050778	1	0,424077	1,735	0,18886
☐	☐	F.4. Please indicate your highest education level attained{No formal education-Postgraduate degree}	0	1	0,095219	0,389	0,53349
☐	☐	F.4. Please indicate your highest education level attained{Undergraduate degree-Primary completed&Tertiary Certificate}	0	1	0,147561	0,603	0,43816
☐	☐	F.4. Please indicate your highest education level attained{Primary completed-Tertiary Certificate}	0	2	0,171529	0,349	0,70553
☐	☐	F.4. Please indicate your highest education level attained{Secondary completed-Partial primary}	0	1	0,073253	0,299	0,58499
☐	☐	F.5. Please indicate your employment status{Student&Fulltime Employed-Parttime}	0	1	0,146274	0,598	0,44017
☐	☐	F.5. Please indicate your employment status{Student-Fulltime Employed}	0	2	0,282591	0,576	0,56264
☐	☐	F.7. Please indicate your gender{Female-Male}	0	1	0,086994	0,355	0,55173
☐	☑	F.8. Please indicate your historical racial category{White&Indian&Coloured&Black-African}	-0,2411082	3	5,665994	7,726	5,6e-5
☐	☑	F.8. Please indicate your historical racial category{White&Indian-Coloured&Black}	-0,113048	2	2,664242	5,449	0,00476
☐	☐	F.8. Please indicate your historical racial category{White-Indian}	0	1	0,003836	0,016	0,90057
☐	☑	F.8. Please indicate your historical racial category{Coloured-Black}	-0,0938873	1	0,795102	3,253	0,07237

Regression: Whole Model

Accountability with A1, A3, C1, C5, D1 and D5

Whole Model

Actual by Predicted Plot

FINAL_B1.5_B1.8 Accountability
Predicted P=0,2171 RSq=0,07 RMSE=0,5
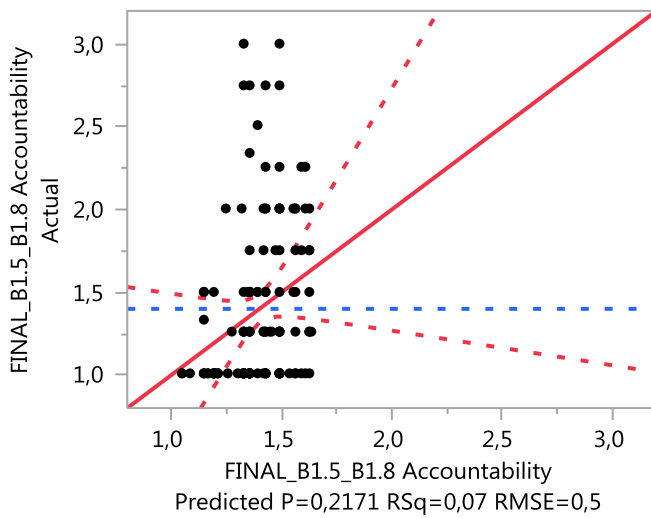
Summary of Fit

RSquare	0,072841
RSquare Adj	0,01948
Root Mean Square Error	0,500036
Mean of Response	1,399775
Observations (or Sum Wgts)	148

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	8	2,730496	0,341312	1,3650
Error	139	34,755052	0,250036	**Prob > F**
C. Total	147	37,485548		0,2171

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	23	3,710442	0,161324	0,6028
Pure Error	116	31,044610	0,267626	**Prob > F**
Total Error	139	34,755052		0,9195
				Max RSq

Parameter Estimates

| Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	1,3837285	0,141474	9,78	<,0001
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?[Yes]	-0,086651	0,108145	-0,80	0,4244
A.3. Does your company have a BSR policy that governs its activities?[Yes]	0,1396404	0,083959	1,66	0,0985
A.3. Does your company have a BSR policy that governs its activities?[No]	0,0028298	0,084712	0,03	0,9734
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Not Aware-Aware]	0,0614084	0,105076	0,58	0,5599
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Aware and comply with BSR regulations-Not Aware]	-0,24794	0,175229	-1,41	0,1593
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations[Yes]	-0,0385	0,05027	-0,77	0,4451
D.1. Does your company use any BSR indicators?[Yes]	0,0171969	0,083971	0,20	0,8380
D.5. Does your company report its BSR activities to any government department?[Yes]	-0,078785	0,051931	-1,52	0,1315

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?	1	1	0,16052298	0,6420	0,4244
A.3. Does your company have a BSR policy that governs its activities?	2	2	0,81918309	1,6381	0,1981
C.1. Please indicate your company's level of awareness and compliance with BSR regulations	2	2	0,50361409	1,0071	0,3679
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations	1	1	0,14665618	0,5865	0,4451
D.1. Does your company use any BSR indicators?	1	1	0,01048684	0,0419	0,8380
D.5. Does your company report its BSR activities to any government department?	1	1	0,57548510	2,3016	0,1315

Residual by Predicted Plot
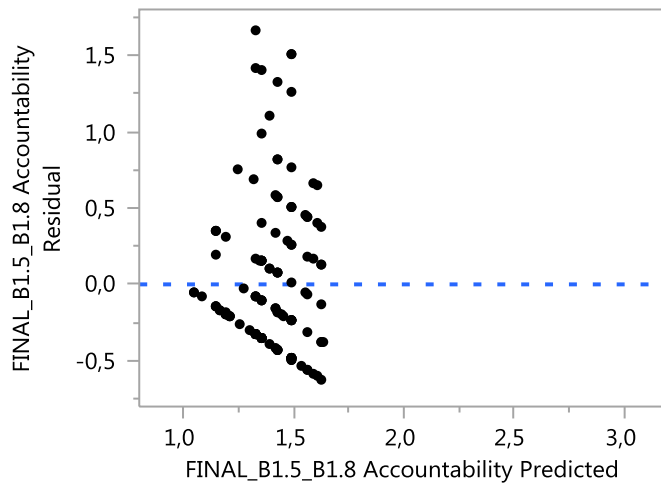
Stepwise Regression

Accountability with A1, A3, C1, C5, D1 and D5

	SSE	DFE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
	36,413704	146	0,4994086	0,0286	0,0219	1,633644	2	218,6369	227,4619

Current Estimates

Lock	Entered	Parameter	Estimate	nDF	SS	"F Ratio"	"Prob>F"
☑	☑	Intercept	1,3620338	1	0	0,000	1
☐	☐	A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?{Yes-No}	0	1	0,159115	0,636	0,42633
☐	☐	A.3. Does your company have a BSR policy that governs its activities?{Not sure-No&Yes}	0	1	0,320617	1,288	0,25828
☐	☐	A.3. Does your company have a BSR policy that governs its activities?{No-Yes}	0	2	0,652389	1,313	0,27208
☐	☐	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Aware&Not Aware-Aware and comply with BSR regulation	0	1	0,330667	1,329	0,25092
☐	☐	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Aware-Not Aware}	0	2	0,573786	1,153	0,31868
☐	☐	C.5. The companyís BSR activities are aligned with the Western Cape Province ës BSR regulations{Yes-No}	0	1	0,293507	1,178	0,27951
☐	☐	D.1. Does your company use any BSR indicators?{Yes-No}	0	1	0,000492	0,002	0,96474
☐	☑	D.5. Does your company report its BSR activities to any government department?{Yes-No}	-0,0930944	1	1,071844	4,298	0,03993

Regression: Whole Model

Accountability with E1, E5, E7, F4, F5, F7, and F8

Whole Model

Actual by Predicted Plot

FINAL_B1.5_B1.8 Accountability
Predicted P=0,0006 RSq=0,16 RMSE=0,5
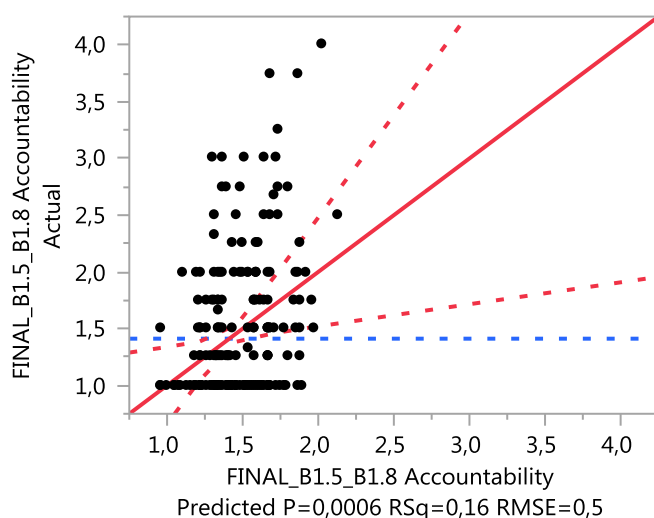
Summary of Fit

RSquare	0,16184
RSquare Adj	0,09567
Root Mean Square Error	0,550591
Mean of Response	1,411748
Observations (or Sum Wgts)	288

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	21	15,570374	0,741446	2,4458
Error	266	80,637935	0,303150	**Prob > F**
C. Total	287	96,208309		0,0006*

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	110	52,036054	0,473055	2,5801
Pure Error	156	28,601881	0,183345	**Prob > F**
Total Error	266	80,637935		<,0001*

Max RSq

0,7027

Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	1,5381151	0,239307	6,43	<,0001*
E.1. Please indicate the type of business you operate[Accommodation]	0,0071072	0,057215	0,12	0,9012
E.1. Please indicate the type of business you operate[Transport]	-0,131734	0,085405	-1,54	0,1241
E.1. Please indicate the type of business you operate[Travel agent]	0,3132998	0,095231	3,29	0,0011*
E.1. Please indicate the type of business you operate[Attractions]	-0,273783	0,099167	-2,76	0,0062*
E.5. Is your business a foreign or local business?[Foreign]	0,0445962	0,063625	0,70	0,4840
E.7. What is the racial background of the owner?[Black]	-0,311241	0,148556	-2,10	0,0371*
E.7. What is the racial background of the owner?[Coloured]	0,1786592	0,199326	0,90	0,3709
E.7. What is the racial background of the owner?[Indian]	0,1785666	0,144527	1,24	0,2177
F.4. Please indicate your highest education level attained[No formal education]	0,0677503	0,292205	0,23	0,8168
F.4. Please indicate your highest education level attained[Partial primary]	0,1654271	0,161436	1,02	0,3064
F.4. Please indicate your highest education level attained[Primary completed]	-0,193039	0,090412	-2,14	0,0337*

379

F.4. Please indicate your highest education level attained[Secondary completed]	0,0678539	0,160689	0,42	0,6732
F.4. Please indicate your highest education level attained[Tertiary Certificate]	0,180838	0,281661	0,64	0,5214
F.4. Please indicate your highest education level attained[Undergraduate degree]	-0,090281	0,088927	-1,02	0,3109
F.5. Please indicate your employment status[Fulltime Employed]	0,1593174	0,201978	0,79	0,4309
F.5. Please indicate your employment status[Part-time]	0,2427607	0,215901	1,12	0,2619
F.7. Please indicate your gender[Male]	0,0471872	0,039814	1,19	0,2370
F.8. Please indicate your historical racial category[African]	0,4001504	0,127514	3,14	0,0019*
F.8. Please indicate your historical racial category[Black]	0,1151717	0,101774	1,13	0,2588
F.8. Please indicate your historical racial category[White]	-0,138173	0,076464	-1,81	0,0719
F.8. Please indicate your historical racial category[Coloured]	-0,107907	0,072093	-1,50	0,1356

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
E.1. Please indicate the type of business you operate	4	4	5,0978435	4,2041	0,0026*
E.5. Is your business a foreign or local business?	1	1	0,1489371	0,4913	0,4840
E.7. What is the racial background of the owner?	3	3	1,4910522	1,6395	0,1806
F.4. Please indicate your highest education level attained	6	6	2,4220824	1,3316	0,2432
F.5. Please indicate your employment status	2	2	0,3832711	0,6321	0,5322
F.7. Please indicate your gender	1	1	0,4258369	1,4047	0,2370
F.8. Please indicate your historical racial category	4	4	4,0417771	3,3331	0,0110*

Residual by Predicted Plot
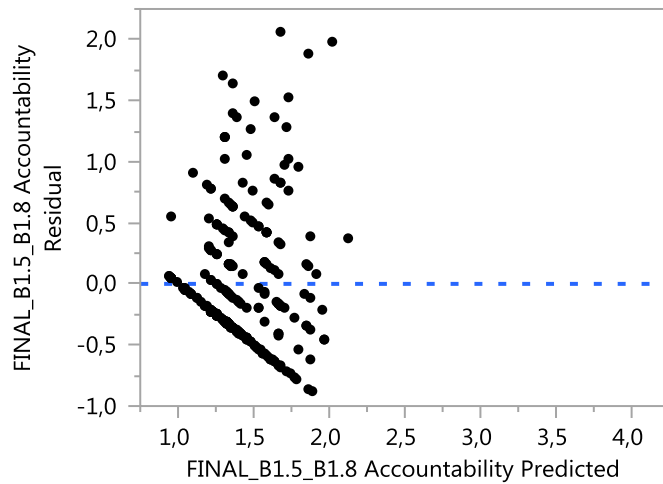
Stepwise Regression

Accountability with E1, E5, E7, F4, F5, F7, and F8

SSE	DFE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
81,666907	277	0,5429792	0,1511	0,1205	3,394265	11	479,4734	522,2944

Current Estimates

Lock	Entered	Parameter	Estimate	nDF	SS	"F Ratio"	"Prob>F"
☑	☑	Intercept	1,75645194	1	0	0,000	1
☐	☑	E.1. Please indicate the type of business you operate{Attractions-Transport&Tour operator&Accommodation&Travel agent}	-0,2076615	3	4,808408	5,436	0,0012
☐	☑	E.1. Please indicate the type of business you operate{Transport&Tour operator&Accommodation-Travel agent}	-0,1712535	2	2,568815	4,356	0,01371
☐	☑	E.1. Please indicate the type of business you operate{Transport-Tour operator&Accommodation}	-0,0690519	1	0,570142	1,934	0,16546
☐	☐	E.1. Please indicate the type of business you operate{Tour operator-Accommodation}	0	1	0,120493	0,408	0,52361
☐	☐	E.5. Is your business a foreign or local business?{Local-Foreign}	0	1	0,165123	0,559	0,45523
☐	☑	E.7. What is the racial background of the owner?{White&Black-Indian&Coloured}	-0,1602104	2	1,337877	2,269	0,10534
☐	☑	E.7. What is the racial background of the owner?{White-Black}	0,11974058	1	0,645941	2,191	0,13996
☐	☐	E.7. What is the racial background of the owner?{Indian-Coloured}	0	1	0,024859	0,084	0,77212
☐	☐	F.4. Please indicate your highest education level attained{Postgraduate degree&Primary completed&Undergraduate degree-No formal education&Tertiary Certificate&Secondary completed&Partial primar	-0,1339546	2	2,504256	4,247	0,01525
☐	☑	F.4. Please indicate your highest education level attained{Postgraduate degree&Primary completed-Undergraduate degree}	-0,049646	1	0,591726	2,007	0,1577
☐	☐	F.4. Please indicate your highest education level attained{Postgraduate degree-Primary completed}	0	1	0,016189	0,055	0,81522
☐	☐	F.4. Please indicate your highest education level attained{No formal education&Tertiary Certificate-Secondary completed&Partial primary}	0	1	0,004103	0,014	0,90634
☐	☐	F.4. Please indicate your highest education level attained{No formal education-Tertiary Certificate}	0	2	0,005996	0,010	0,98995
☐	☐	F.4. Please indicate your highest education level attained{Secondary completed-Partial primary}	0	2	0,090888	0,153	0,85804
☐	☐	F.5. Please indicate your employment status{Student&Fulltime Employed-Parttime}	0	1	0,176067	0,596	0,44065
☐	☐	F.5. Please indicate your employment status{Student-Fulltime Employed}	0	2	0,42988	0,728	0,48399
☐	☑	F.7. Please indicate your gender{Female-Male}	-0,0528995	1	0,582765	1,977	0,16087
☐	☑	F.8. Please indicate your historical racial category{White&Indian&Coloured&Black-African}	-0,19977	2	3,891728	6,600	0,00158
☐	☑	F.8. Please indicate your historical racial category{White&Indian&Coloured-Black}	-0,1139834	1	1,208235	4,098	0,04389
☐	☐	F.8. Please indicate your historical racial category{White&Indian-Coloured}	0	1	0,07889	0,267	0,60585
☐	☐	F.8. Please indicate your historical racial category{White-Indian}	0	2	0,234032	0,395	0,67395

Regression: Whole Model

Transparency with A1, A3, C1, C5, D1 and D5

Whole Model

Actual by Predicted Plot

Predicted P<.0001 RSq=0,40 RMSE=0,27
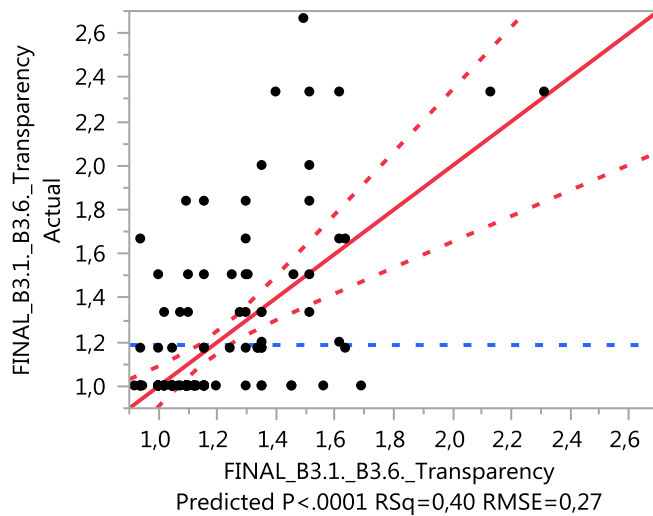
Summary of Fit

RSquare	0,400154
RSquare Adj	0,364869
Root Mean Square Error	0,273152
Mean of Response	1,186667
Observations (or Sum Wgts)	145

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	8	6,769190	0,846149	11,3406
Error	136	10,147254	0,074612	**Prob > F**
C. Total	144	16,916444		<,0001*

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	23	4,910505	0,213500	4,6070

Source	DF	Sum of Squares	Mean Square	F Ratio
Pure Error	113	5,236749	0,046343	**Prob > F**
Total Error	136	10,147254		<,0001*
				Max RSq

Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	1,501301	0,077218	19,44	<,0001*
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?[Yes]	-0,309237	0,059054	-5,24	<,0001*
A.3. Does your company have a BSR policy that governs its activities?[Yes]	-0,028537	0,046005	-0,62	0,5361
A.3. Does your company have a BSR policy that governs its activities?[No]	0,0298	0,046559	0,64	0,5232
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Not Aware-Aware]	0,35559	0,05843	6,09	<,0001*
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Aware and comply with BSR regulations-Not Aware]	-0,383187	0,096777	-3,96	0,0001*
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations[Yes]	0,0784892	0,02792	2,81	0,0057*
D.1. Does your company use any BSR indicators?[Yes]	-0,169566	0,045915	-3,69	0,0003*
D.5. Does your company report its BSR activities to any government department?[Yes]	-0,02642	0,028725	-0,92	0,3593

Effect Tests

Source	Npar m	DF	Sum of Squares	F Ratio	Prob > F
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?	1	1	2,0459599	27,4213	<,0001
A.3. Does your company have a BSR policy that governs its activities?	2	2	0,0989885	0,6634	0,5168
C.1. Please indicate your company's level of awareness and compliance with BSR regulations	2	2	2,8528068	19,1176	<,0001
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations	1	1	0,5896755	7,9032	0,0057
D.1. Does your company use any BSR indicators?	1	1	1,0176157	13,6387	0,0003
D.5. Does your company report its BSR activities to any government department?	1	1	0,0631180	0,8459	0,3593

Residual by Predicted Plot
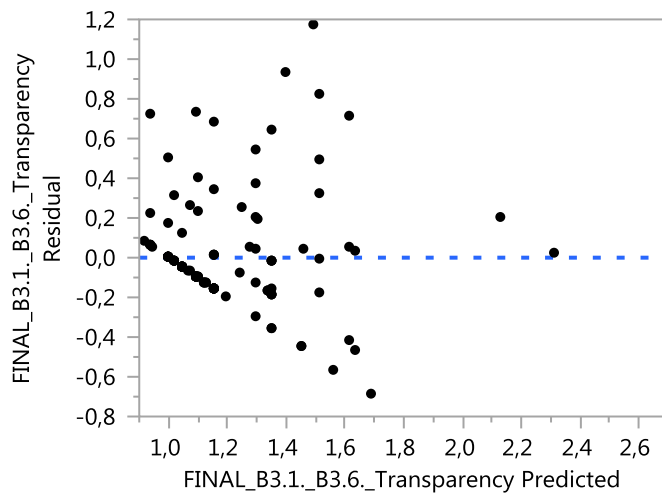
Stepwise Regression

Transparency with A1, A3, C1, C5, D1 and D5

	SSE	DFE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
	10,216246	138	0,272086	0,3961	0,3698	5,9246697	7	43,90159	66,65664

Current Estimates

Lock	Entered	Parameter	Estimate	nDF	"F Ratio"	"Prob>F"
☑	☑	Intercept	1,59455725	1	0,000	1
☐	☑	A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?{Yes-No}	-0,3057477	1	27,126	6,78e-7
☐	☑	A.3. Does your company have a BSR policy that governs its activities?{Yes&Not sure-No}	-0,0336268	1	1,968	0,16293
☐	☐	A.3. Does your company have a BSR policy that governs its activities?{Yes-Not sure}	0	1	0,079	0,77934
☐	☑	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Aware-Not Aware&Aware and comply with BSR regulation	-0,0782004	2	20,599	1,48e-8
☐	☑	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Not Aware-Aware and comply with BSR regulations}	0,20345763	1	19,064	2,46e-5
☐	☑	C.5. The companyís BSR activities are aligned with the Western Cape Province ës BSR regulations{Yes-No}	0,07276722	1	7,275	0,00786
☐	☑	D.1. Does your company use any BSR indicators?{Yes-No}	-0,1740923	1	14,724	0,00019
☐	☐	D.5. Does your company report its BSR activities to any government department?{Yes-No}	0	1	0,878	0,35043

Before Final Model – exclude C5 Due to non-significance

Whole Model

Actual by Predicted Plot

FINAL_B3.1._B3.6._Transparency
Predicted P<.0001 RSq=0,36 RMSE=0,33
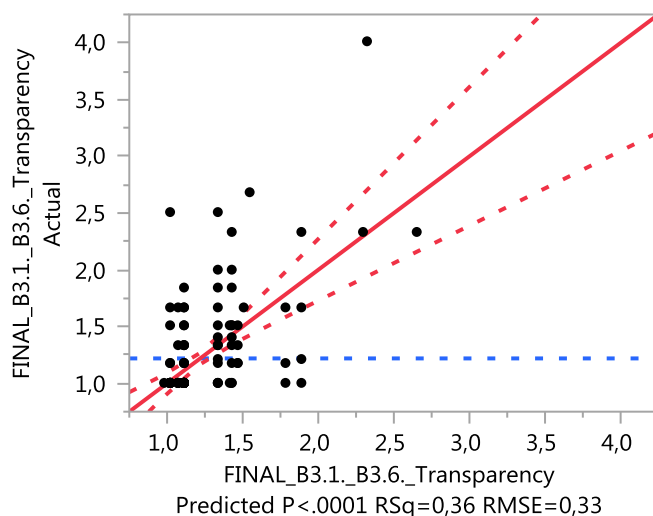
Summary of Fit

RSquare	0,364376
RSquare Adj	0,345571
Root Mean Square Error	0,335686
Mean of Response	1,219238
Observations (or Sum Wgts)	175

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	5	10,917002	2,18340	19,3761

385

Source	DF	Sum of Squares	Mean Square	F Ratio
Error	169	19,043785	0,11269	**Prob > F**
C. Total	174	29,960787		<,0001*

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	9	6,127566	0,680841	8,4339
Pure Error	160	12,916219	0,080726	**Prob > F**
Total Error	169	19,043785		<,0001*
				Max RSq

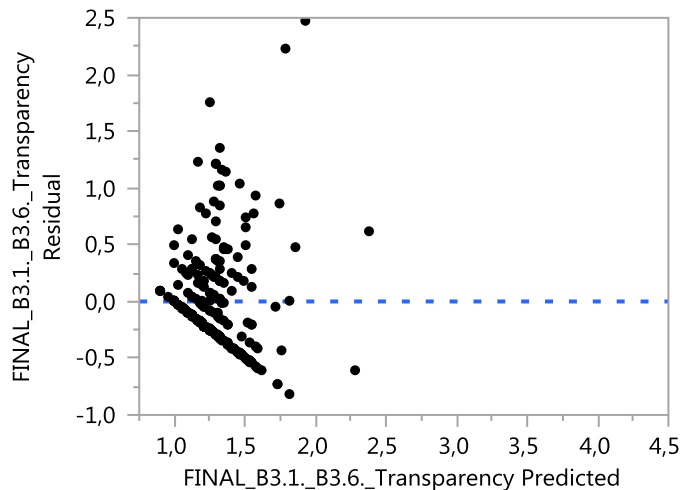**Parameter Estimates**

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	1,7254423	0,075792	22,77	<,0001*
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?[Yes]	-0,433546	0,066792	-6,49	<,0001*
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Not Aware-Aware]	0,322663	0,065569	4,92	<,0001*
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Aware and comply with BSR regulations-Not Aware]	-0,364382	0,10714	-3,40	0,0008*
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations[Yes]	0,045364	0,029762	1,52	0,1293
D.1. Does your company use any BSR indicators?[Yes]	-0,221585	0,051621	-4,29	<,0001*

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?	1	1	4,7478173	42,1335	<,0001*
C.1. Please indicate your companyís level of awareness and	2	2	2,8664161	12,7187	<,0001*

386

compliance with BSR regulations					
C.5. The companyís BSR activities are aligned with the Western Cape Province ës BSR regulations	1	1	0,2617902	2,3232	0,1293
D.1. Does your company use any BSR indicators?	1	1	2,0763283	18,4259	<,0001*

Residual by Predicted Plot
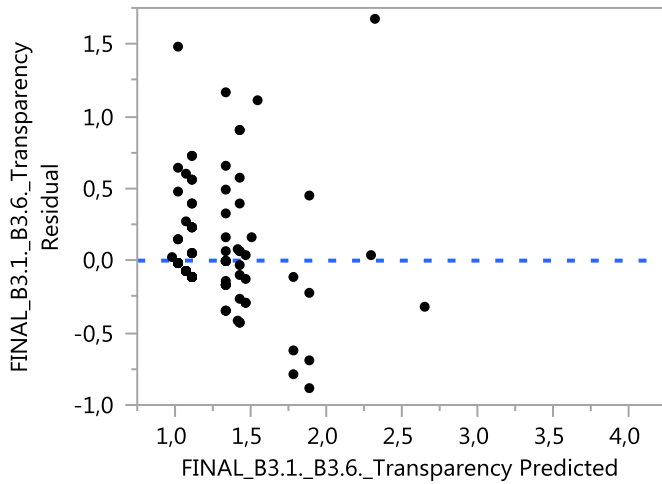
Regression: Whole Model

Transparency with E1, E5, E7, F4, F5, F7, and F8

Whole Model

Actual by Predicted Plot
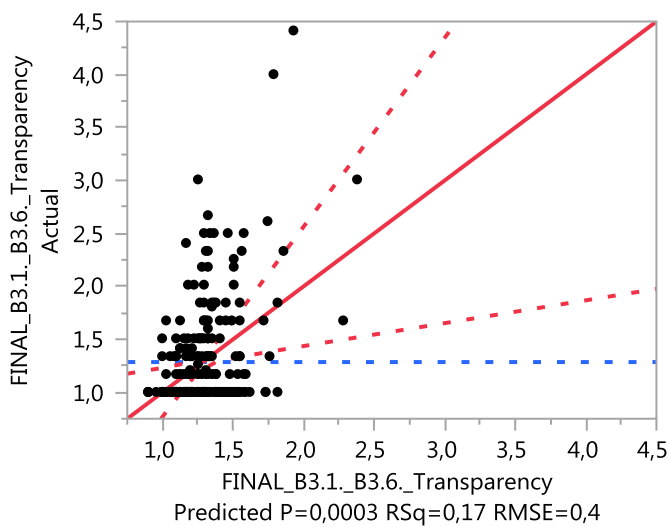
Summary of Fit

RSquare	0,171951
RSquare Adj	0,106233
Root Mean Square Error	0,466684
Mean of Response	1,284982
Observations (or Sum Wgts)	273

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	20	11,397115	0,569856	2,6165
Error	252	54,884088	0,217794	**Prob > F**
C. Total	272	66,281203		0,0003*

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	103	35,182843	0,341581	2,5834
Pure Error	149	19,701245	0,132223	**Prob > F**
Total Error	252	54,884088		<,0001*

	Max RSq
	0,7028

Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	1,8043323	0,127785	14,12	<,0001*
E.1. Please indicate the type of business you operate[Accommodation]	-0,025164	0,050393	-0,50	0,6180
E.1. Please indicate the type of business you operate[Transport]	0,0768646	0,073531	1,05	0,2969
E.1. Please indicate the type of business you operate[Travel agent]	0,0675885	0,081251	0,83	0,4063
E.1. Please indicate the type of business you operate[Attractions]	-0,120497	0,089001	-1,35	0,1770
E.5. Is your business a foreign or local business?[Foreign]	0,0759543	0,057682	1,32	0,1891
E.7. What is the racial background of the owner?[Black]	-0,167662	0,128098	-1,31	0,1918
E.7. What is the racial background of the owner?[Coloured]	0,0826184	0,16951	0,49	0,6264
E.7. What is the racial background of the owner?[Indian]	0,1567206	0,132924	1,18	0,2395
F.4. Please indicate your highest education level attained[No formal education]	0,0508332	0,250094	0,20	0,8391
F.4. Please indicate your highest education level attained[Partial primary]	-0,19245	0,135043	-1,43	0,1554
F.4. Please indicate your highest education level attained[Primary completed]	-0,185096	0,083485	-2,22	0,0275*
F.4. Please indicate your highest education level attained[Secondary completed]	0,1365726	0,139686	0,98	0,3292
F.4. Please indicate your highest education level attained[Tertiary Certificate]	0,8017703	0,291418	2,75	0,0064*
F.4. Please indicate your highest education level attained[Undergraduate degree]	-0,258862	0,080014	-3,24	0,0014*
F.5. Please indicate your employment status[Fulltime Employed]	-0,106183	0,071718	-1,48	0,1400
F.5. Please indicate your employment status[Part-time]	0,0285106	0,034735	0,82	0,4125
F.7. Please indicate your gender[Male]	0,179564	0,107635	1,67	0,0965
F.8. Please indicate your historical racial category[African]	-0,041999	0,091194	-0,46	0,6455
F.8. Please indicate your historical racial category[Black]	-0,13726	0,067008	-2,05	0,0416*
F.8. Please indicate your historical racial category[White]	-0,016295	0,063522	-0,26	0,7977
F.8. Please indicate your historical racial category[Coloured]	1,8043323	0,127785	14,12	<,0001*

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
E.1. Please indicate the type of business you operate	4	4	0,6678882	0,7667	0,5478
E.5. Is your business a foreign or local business?	1	1	0,3776341	1,7339	0,1891
E.7. What is the racial background of the owner?	3	3	0,6363628	0,9740	0,4056
F.4. Please indicate your highest education level attained	6	6	4,8224594	3,6904	0,0016*
F.5. Please indicate your employment status	1	1	0,4774199	2,1921	0,1400
F.7. Please indicate your gender	1	1	0,1467340	0,6737	0,4125
F.8. Please indicate your historical racial category	4	4	1,4443271	1,6579	0,1603

Residual by Predicted Plot

Stepwise Regression

Transparency with E1, E5, E7, F4, F5, F7, and F8

SSE	DFE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
55,863167	263	0,4608769	0,1572	0,1283	3,4954381	10	364,6193	403,312

Current Estimates

| Lock	Entered	Parameter	Estimate	nDF	SS	"F Ratio"	"Prob>F"
☑	☑	Intercept	1,82174735	1	0	0,000	1
☐	☑	E.1. Please indicate the type of business you operate{Attractions-Tour operator&Accommodation&Travel agent&Transport}	-0,0682247	1	0,347341	1,635	0,2021
☐	☐	E.1. Please indicate the type of business you operate{Tour operator&Accommodation&Travel agent-Transport}	0	1	0,089555	0,421	0,51716
☐	☐	E.1. Please indicate the type of business you operate{Tour operator&Accommodation-Travel agent}	0	2	0,144617	0,339	0,713
☐	☐	E.1. Please indicate the type of business you operate{Tour operator-Accommodation}	0	3	0,144993	0,226	0,8786
☐	☑	E.5. Is your business a foreign or local business?{Local-Foreign}	-0,0924547	1	0,592923	2,791	0,09596
☐	☑	E.7. What is the racial background of the owner?{Black&White-Coloured&Indian}	-0,0976784	1	0,588255	2,769	0,09727
☐	☐	E.7. What is the racial background of the owner?{Black-White}	0	1	0,010702	0,050	0,82289
☐	☐	E.7. What is the racial background of the owner?{Coloured-Indian}	0	1	0,027692	0,130	0,71879
☐	☑	F.4. Please indicate your highest education level attained{Postgraduate degree&Undergraduate degree&Primary completed&Partial primary-Secondary completed&No formal education&Tertiary Certificat	-0,3802594	3	4,764572	7,477	0,00008
☐	☐	F.4. Please indicate your highest education level attained{Postgraduate degree-Undergraduate degree&Primary completed&Partial primary}	-0,0693994	1	0,719511	3,387	0,06682
☐	☐	F.4. Please indicate your highest education level attained{Undergraduate degree&Primary completed-Partial primary}	0	1	0,015396	0,072	0,78833
☐	☐	F.4. Please indicate your highest education level attained{Undergraduate degree-Primary completed}	0	2	0,155943	0,365	0,69433
☐	☑	F.4. Please indicate your highest education level attained{Secondary completed&No formal education-Tertiary Certificate}	-0,3443305	1	0,818075	3,851	0,05076
☐	☐	F.4. Please indicate your highest education level attained{Secondary completed-No formal education}	0	1	0,028832	0,135	0,7133
☐	☑	F.5. Please indicate your employment status{Fulltime Employed-Parttime}	-0,1083554	1	0,584485	2,752	0,09834
☐	☑	F.7. Please indicate your gender{Female-Male}	-0,0448809	1	0,433246	2,040	0,15443
☐	☑	F.8. Please indicate your historical racial category{White&Black-Coloured&Indian&African}	-0,0621408	1	0,895413	4,216	0,04104
☐	☐	F.8. Please indicate your historical racial category{White-Black}	0	1	0,025582	0,120	0,72927
☐	☐	F.8. Please indicate your historical racial category{Coloured-Indian&African}	0	1	0,23586	1,111	0,29286
☐	☐	F.8. Please indicate your historical racial category{Indian-African}	0	2	0,282785	0,664	0,51567

Final Model

Regression: Whole Model

Fairness with A1, A3, C1, C5, D1 and D5

Whole Model

Actual by Predicted Plot

P<.0001 RSq=0,46 RMSE=0,7577
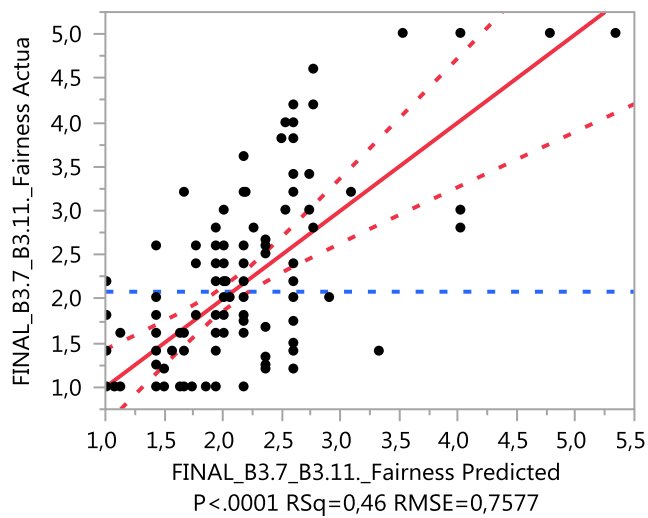
Summary of Fit

RSquare	0,459317
RSquare Adj	0,427037
Root Mean Square Error	0,757684
Mean of Response	2,081585
Observations (or Sum Wgts)	143

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	8	65,35078	8,16885	14,2293
Error	134	76,92740	0,57409	**Prob > F**

Source	DF	Sum of Squares	Mean Square	F Ratio
C. Total	142	142,27817		<,0001*

Lack Of Fit

Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	23	27,127687	1,17946	2,6289
Pure Error	111	49,799708	0,44865	**Prob > F**
Total Error	134	76,927396		0,0004*
				Max RSq

Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	2,9624929	0,214344	13,82	<,0001
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?[Yes]	-1,012194	0,163835	-6,18	<,0001
A.3. Does your company have a BSR policy that governs its activities?[Yes]	0,0218687	0,127707	0,17	0,8643
A.3. Does your company have a BSR policy that governs its activities?[No]	0,2590477	0,129352	2,00	0,0472
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Not Aware-Aware]	0,593247	0,164665	3,60	0,0004
C.1. Please indicate your company's level of awareness and compliance with BSR regulations[Aware and comply with BSR regulations-Not Aware]	-1,024626	0,275191	-3,72	0,0003
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations[Yes]	0,0840836	0,078286	1,07	0,2847
D.1. Does your company use any BSR indicators?[Yes]	-0,363173	0,127462	-2,85	0,0051
D.5. Does your company report its BSR activities to any government department?[Yes]	-0,250031	0,079802	-3,13	0,0021

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?	1	1	21,912311	38,1691	<,0001
A.3. Does your company have a BSR policy that governs its activities?	2	2	2,569952	2,2383	0,1106
C.1. Please indicate your company's level of awareness and compliance with BSR regulations	2	2	10,372166	9,0336	0,0002
C.5. The company's BSR activities are aligned with the Western Cape Province BSR regulations	1	1	0,662255	1,1536	0,2847
D.1. Does your company use any BSR indicators?	1	1	4,660592	8,1183	0,0051
D.5. Does your company report its BSR activities to any government department?	1	1	5,635588	9,8166	0,0021

Residual by Predicted Plot
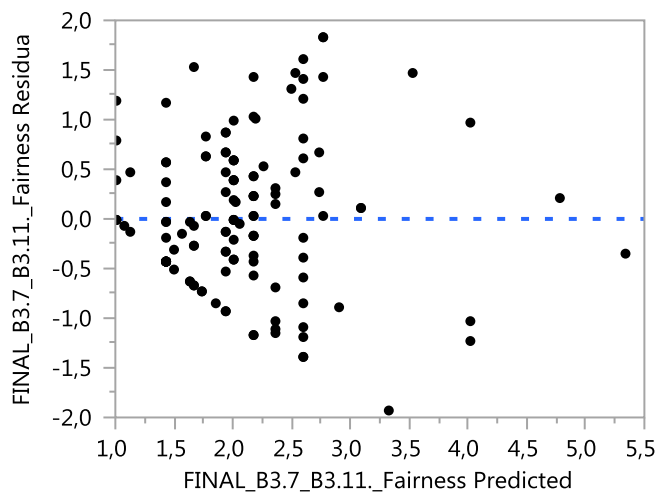
Stepwise Regression

Fairness with A1, A3, C1, C5, D1 and D5

SSE	DFE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
78,011142	136	0,7573713	0,4517	0,4275	6,8877799	7	336,2341	358,8622

Current Estimates

Lock	Entered	Parameter	Estimate	nDF	SS	"F Ratio"	"Prob>F"
☑	☑	Intercept	2,99724932	1	0	0,000	1
☐	☑	A.1. Does your company have any form of relationship with the local communities, employees, customers and suppliers?{Yes-No}	-0,9888257	1	21,32355	37,174	1,05e-8
☐	☑	A.3. Does your company have a BSR policy that governs its activities?{Not sure&Yes-No}	-0,1226898	1	1,84056	3,209	0,07547
☐	☐	A.3. Does your company have a BSR policy that governs its activities?{Not sure-Yes}	0	1	0,421491	0,733	0,39331
☐	☑	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Aware&Not Aware-Aware and comply with BSR regulation	0,34372496	2	9,959162	8,681	0,00028
☐	☑	C.1. Please indicate your companyís level of awareness and compliance with BSR regulations{Aware-Not Aware}	-0,2776679	1	7,330899	12,780	0,00049
☐	☐	C.5. The companyís BSR activities are aligned with the Western Cape Province ës BSR regulations{Yes-No}	0	1	0,597669	1,042	0,30912
☐	☑	D.1. Does your company use any BSR indicators?{Yes-No}	-0,316654	1	3,862885	6,734	0,0105
☐	☑	D.5. Does your company report its BSR activities to any government department?{Yes-No}	-0,2267532	1	4,92641	8,588	0,00397

Regression: Whole Model

Fairness with E1, E5, E7, F4, F5, F7, and F8

Whole Model

Actual by Predicted Plot

FINAL_B3.7_B3.11._Fairness Predicted
P=0,0029 RSq=0,15 RMSE=0,948
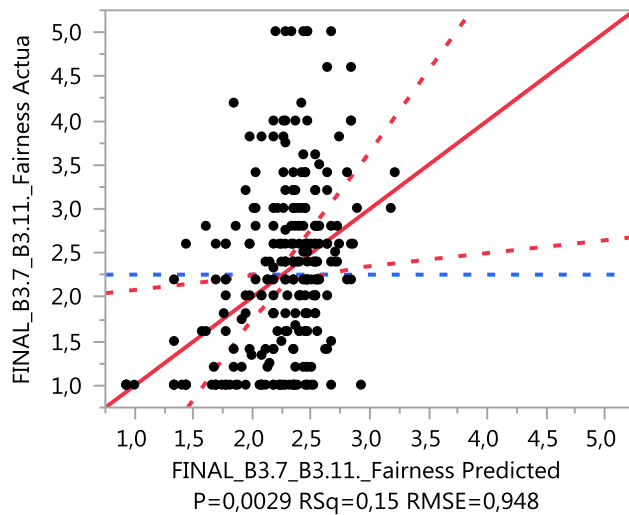
Summary of Fit

RSquare	0,152653
RSquare Adj	0,083198
Root Mean Square Error	0,948008
Mean of Response	2,255346
Observations (or Sum Wgts)	265

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	20	39,50539	1,97527	2,1979
Error	244	219,28731	0,89872	**Prob > F**
C. Total	264	258,79270		0,0029*

Lack Of Fit

| Source	DF	Sum of Squares	Mean Square	F Ratio
Lack Of Fit	101	121,99691	1,20789	1,7754
Pure Error	143	97,29040	0,68035	**Prob > F**
Total Error	244	219,28731		0,0008*

Max RSq

0,6241

Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob>|t|
Intercept	2,4837628	0,263046	9,44	<,0001*
E.1. Please indicate the type of business you operate[Accommodation]	0,1408844	0,104465	1,35	0,1787
E.1. Please indicate the type of business you operate[Transport]	0,1676846	0,154085	1,09	0,2776
E.1. Please indicate the type of business you operate[Travel agent]	0,337108	0,168275	2,00	0,0462*
E.1. Please indicate the type of business you operate[Attractions]	-0,697789	0,186013	-3,75	0,0002*
E.5. Is your business a foreign or local business?[Foreign]	0,1324312	0,117282	1,13	0,2599
E.7. What is the racial background of the owner?[Black]	-0,127571	0,260509	-0,49	0,6248
E.7. What is the racial background of the owner?[Coloured]	0,279006	0,344796	0,81	0,4192
E.7. What is the racial background of the owner?[Indian]	-0,039483	0,270159	-0,15	0,8839
F.4. Please indicate your highest education level attained[No formal education]	0,0377178	0,63776	0,06	0,9529
F.4. Please indicate your highest education level attained[Partial primary]	0,2169916	0,280244	0,77	0,4395
F.4. Please indicate your highest education level attained[Primary completed]	-0,109645	0,182125	-0,60	0,5477
F.4. Please indicate your highest education level attained[Secondary completed]	-0,346142	0,29178	-1,19	0,2367
F.4. Please indicate your highest education level attained[Tertiary Certificate]	0,7216698	0,596208	1,21	0,2273
F.4. Please indicate your highest education level attained[Undergraduate degree]	-0,010605	0,175359	-0,06	0,9518

F.5. Please indicate your employment status[Fulltime Employed]	0,044552	0,149618	0,30	0,7661
F.7. Please indicate your gender[Male]	0,0308421	0,071103	0,43	0,6648
F.8. Please indicate your historical racial category[African]	0,0318088	0,219028	0,15	0,8847
F.8. Please indicate your historical racial category[Black]	0,1984226	0,185483	1,07	0,2858
F.8. Please indicate your historical racial category[White]	-0,102202	0,137233	-0,74	0,4572
F.8. Please indicate your historical racial category[Coloured]	0,0709565	0,130518	0,54	0,5872

Effect Tests

Source	Nparm	DF	Sum of Squares	F Ratio	Prob > F
E.1. Please indicate the type of business you operate	4	4	13,521994	3,7615	0,0055*
E.5. Is your business a foreign or local business?	1	1	1,145878	1,2750	0,2599
E.7. What is the racial background of the owner?	3	3	0,719457	0,2668	0,8493
F.4. Please indicate your highest education level attained	6	6	10,580562	1,9622	0,0717
F.5. Please indicate your employment status	1	1	0,079688	0,0887	0,7661
F.7. Please indicate your gender	1	1	0,169097	0,1882	0,6648
F.8. Please indicate your historical racial category	4	4	2,260716	0,6289	0,6423

Residual by Predicted Plot
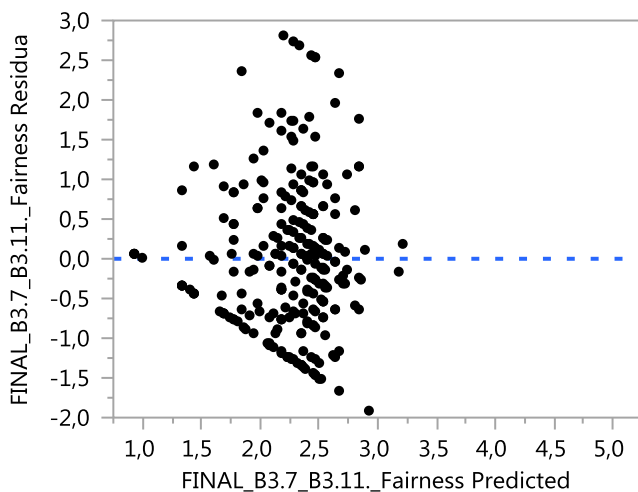
Stepwise Regression

Fairness with E1, E5, E7, F4, F5, F7, and F8

SSE	DFE	RMSE	RSquare	RSquare Adj	Cp	p	AICc	BIC
225,57432	261	0,9296609	0,1284	0,1183	-6,004479	4	719,5828	737,2498

Current Estimates

Lock	Entered	Parameter	Estimate	nDF	SS	"F Ratio"	"Prob>F"
☑	☑	Intercept	1,74479562	1	0	0,000	1
☐	☑	E.1. Please indicate the type of business you operate{Attractions-Tour operator&Accommodation&Transport&Travel agent}	-0,4510484	1	14,39135	16,651	0,00006
☐	☐	E.1. Please indicate the type of business you operate{Tour operator-Accommodation&Transport&Travel agent}	0	1	0,636614	0,736	0,39178
☐	☐	E.1. Please indicate the type of business you operate{Accommodation-Transport&Travel agent}	0	2	1,458015	0,842	0,43182
☐	☐	E.1. Please indicate the type of business you operate{Transport-Travel agent}	0	3	1,608241	0,618	0,60421
☐	☐	E.5. Is your business a foreign or local business?{Local-Foreign}	0	1	1,139656	1,320	0,2516
☐	☐	E.7. What is the racial background of the owner?{White&Indian&Black-Coloured}	0	1	0,392972	0,454	0,50116
☐	☐	E.7. What is the racial background of the owner?{White-Indian&Black}	0	2	0,393714	0,226	0,79754
☐	☐	E.7. What is the racial background of the owner?{Indian-Black}	0	3	0,403964	0,154	0,92687
☐	☑	F.4. Please indicate your highest education level attained{Postgraduate degree&Secondary completed-Primary completed&No formal education&Undergraduate degree&Partial primary&Tertiary Certificat	-0,2098203	1	7,868265	9,104	0,0028
☐	☐	F.4. Please indicate your highest education level attained{Postgraduate degree-Secondary completed}	0	1	0,341553	0,394	0,53061
☐	☐	F.4. Please indicate your highest education level attained{Primary completed&No formal education&Undergraduate degree-Partial primary&Tertiary Certificate}	0	1	1,104359	1,279	0,2591
☐	☐	F.4. Please indicate your highest education level attained{Primary completed-No formal education&Undergraduate degree}	0	2	1,644194	0,951	0,38776
☐	☐	F.4. Please indicate your highest education level attained{No formal education-Undergraduate degree}	0	3	1,69058	0,649	0,58398
☐	☐	F.4. Please indicate your highest education level attained{Partial primary-Tertiary Certificate}	0	2	1,483819	0,857	0,42543
☐	☐	F.5. Please indicate your employment status{Fulltime Employed-Parttime}	0	1	0,032384	0,037	0,84694
☐	☐	F.7. Please indicate your gender{Female-Male}	0	1	0,121618	0,140	0,70833
☐	☑	F.8. Please indicate your historical racial category{White&Indian-African&Coloured&Black}	-0,1227623	1	3,589202	4,153	0,04257
☐	☐	F.8. Please indicate your historical racial category{White-Indian}	0	1	0,022137	0,026	0,87321
☐	☐	F.8. Please indicate your historical racial category{African-Coloured&Black}	0	1	0,17871	0,206	0,65018
☐	☐	F.8. Please indicate your historical racial category{Coloured-Black}	0	2	0,397231	0,228	0,79593

Annexure 'E': Ethical Approval Letter

UNISA | university of south africa

2013-08-19

Ref. Nr.: 2013/CAES/011

To:
Student: L Tseane   Student nr: 49119192
Supervisor: Prof SE Mini
Department of Geography
College of Agriculture and Environmental Sciences

Dear Prof Mini and Ms Tseane

Request for Ethical approval for the following research project:

Social and economic impacts of business social responsibilities of tourism industry in the Western Cape province of South Africa

The application for ethical clearance in respect of the above mentioned research has been reviewed by the Research Ethics Review Committee of the College of Agriculture and Environmental Sciences, Unisa. Ethics clearance for the above mentioned project (Ref. Nr.: 2013/CAES/011) is approved after careful consideration of all documentation submitted to the CAES Ethics committee.

The researcher is reminded that in case of the reuse of data, they should consider who should be approached for permission, for example the participant who provided the original data.

Please be advised that the committee needs to be informed should any part of the research methodology as outlined in the Ethics application (Ref. Nr.: 2013/CAES/011), change in any way. In this instance a memo should be submitted to the Ethics Committee in which the changes are identified and fully explained.

Kind regards,

Prof E Kempen,
CAES Ethics Review Committee Chair