### Chapter 19

# Harmonising CSR and Climate Change Mitigation and Adaptation Strategies to Build Community Adaptive Capacity in Bali's Tourism Sector

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#### **ABSTRACT**

Building community adaptive capacity to tackle climate change risks in the tourism sector is challenging. It is limited by poverty, poor communication and knowledge, low levels of institutional capacity and a lack of support from government or tourism authorities. Using Bali as a case study, this chapter aims to demonstrate how tourism businesses could implement mitigation and adaptation strategies through their Corporate Social Responsibility (CSR) initiatives, as well as help host communities to enhance their capacity to tackle climate change risks. In-depth interviews, focus group discussion (FGD), and observations were used to collect data. The findings of this study indicate that the CSR of tourism industries could enhance community adaptive capacity to climate change through environmental, economic and social responsibility. It is also concluded that the tourism industry's CSR initiatives can play an importance role in empowering communities to tackle environmental challenges.

#### 1. INTRODUCTION

The threat of climate change has been with us for many years. Yet, the willingness to pay for implementing mitigation and adaptation strategies, and determining who pays, remain major hurdles (Prideaux, McKercher, & McNamara, 2013). It would be easy for the business community to simply step back and

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do nothing while government and regulators argue about what should be done (Hawkins, 2006). However, the tourism industry cannot afford to wait as climate change may be putting pressure on business performance, especially in coastal or island destinations, through such factors as coastal erosion, storms, water shortage and increasing temperatures. In addition, consumers, stakeholders and governments are placing increasing expectations on companies to be aware of the social and environmental impacts of their businesses (de Grosbois, 2012).

The importance of corporate social responsibility (CSR) in tackling local and global environmental problems, including climate change, has been highlighted in the research literature. For example, Bohdanowicz (2007) reported that the Hilton Environmental Reporting (HER) system is an effective tool for measuring and monitoring a firm's environmental initiatives as well as successful implementation of CSR. Similarly, Sheldon and Park (2011) contend that CSR plays an important role in answering environmental degradation issues, climate change, and social and human rights issues. However, very little research has focused on tourism and community adaptive capacity. This chapter aims to address this paucity, demonstrating how tourism managers can harmonise their CSR initiatives with climate change mitigation and adaptation strategies. This brings both business advantages as well as enhancing community adaptive capacity as part of their responsibility as good citizens.

This chapter consists of five sections, including this introduction. The background section provides the theoretical framework and methodological approaches applied in the study in the context of a literature review. Key findings from a Bali case study are presented in the third section, including empirical examples of CSR initiatives within Bali's tourism businesses that address climate change. Section four discusses the findings further by focusing on motives, facilitators and inhibitors in undertaking CSR initiatives in Bali's tourism industries. Finally, section five draws together overall conclusions, recommendations and suggestions for future research.

#### 2. BACKGROUND

#### 2.1 Building Community Adaptive Capacity to Climate Change

Building community adaptive capacity to climate change is important as the consequences of climate change are felt at the local level. Lindseth (2004) argued that success in reducing the impacts of global climate change depends on actions taken by the local community. Similarly, Saavedra and Budd (2009, p. 250) stated that "in order to be successful in dealing with climate change, it is necessary to consider that mitigation and adaptation strategies should be focused on increasing the capacity of communities to adapt and live with change and surprises".

Building community adaptive capacity is challenging. Empirical evidence from tourism and other sectors reveal similar findings that such capacity is limited by poverty, poor communication and knowledge, low levels of institutional capacity and a lack of support from government or tourism authorities (Goldman & Riosmena, 2013; Marfai & Hizbaron, 2011; Ruiz Meza, 2014). To address those barriers, the World Tourism Organization (UNWTO), through the Davos Declaration, calls for the tourism industry to mitigate greenhouse gas (GHG) emissions, adapt to climate change, improve use of technology and secure financial support to help developing countries (Becken, 2008; Becken, 2012; UNWTO, 2007).

Additionally, UNWTO called upon tourism companies, government, communities and tourists to reduce their carbon footprint through "the World Ethics Code for Tourism" (UNWTO, 2001). In a

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