

The Cyprus Tourism Sector and the Sustainability Agenda 2030

ALEXANDROS ANTONARAS¹

Abstract

The purpose of this paper is to investigate how organisations of the Cyprus tourism sector perceive, understand and apply the concept of Corporate Social Responsibility (CSR) and how they determine their priority areas. In addition, the paper will try to highlight how the tourism sector understands and perceives its role in relation to the 17 global Sustainable Development Goals. A quantitative research was carried out by collecting data from businesses operating in the tourism sector in Cyprus. The research indicated that there is a need to increase awareness of the tourism sector regarding the importance for crafting a CSR strategy which has to be aligned with the corporate purpose. This was the first attempt to study the perceptions of the Cyprus tourism sector in relation to the global sustainable development goals. The results are expected to assist organisations of the tourism sector to better understand the current challenges and set their priorities on how to align CSR related activities to the global sustainable development goals.

Keywords: corporate social responsibility (CSR), Cyprus, sustainable development goals (SDGs), sustainability, tourism, Agenda 2030

Introduction

The idea of corporate social responsibility (CSR) began in the early part of the 20th century, and since then, it has been defined numerous times, and according to Dahlsrud,² there are over 37 definitions. According to Lee, ‘the core idea behind CSR is that businesses are now increasingly expected to fulfil social expectation that go above and beyond what is required under the law of the customary expectation of profit-marking’.³ The report *Our Common Future*, also known as the ‘Brundtland Report’, issued by the United Nations World Commission on Environment and Development (WCED), constitutes the first worldwide sustainability initiative that took place back in 1987.

1 Alexandros Antonaras is Assistant Professor in the School of Business, University of Nicosia.

2 A. Dahlsrud, ‘How Corporate Social Responsibility is defined: an Analysis of 37 Definitions’, *Corporate Social Responsibility and Environmental Management*, Vol. 15 (2008), 1–13.

3 T. H. Lee, ‘The status of corporate social responsibility research in public relations: A content analysis of published articles in eleven scholarly journals from 1980 to 2015’, *Public Relations Review*, Vol. 43 (2017), 211 – 218.

The European Commission⁴ has defined CSR as the responsibility of enterprises for their impact on society. The international standard ISO 26000 defines CSR as ‘the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour’,⁵ integrated throughout the organization and practised in all its relationships. According to ISO 26000, socially responsible organizations are expected to contribute to sustainable development, including the health and the welfare of society, to take into account the expectations of their stakeholders, and to be in compliance with applicable law and consistent with international norms of behaviour. CSR is defined as the voluntary activities undertaken by a company to operate in an economic, social and environmentally sustainable manner. The Netherlands Enterprise Agency⁶ defines CSR as a company’s sense of responsibility towards the community and environment, both ecological and social, in which it operates. The UN Industrial Development Organisation claims that CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line-Approach”), while at the same time addressing the expectations of shareholders and stakeholders.⁷ It is the economic, social and environmental performance, combined with the voluntary nature and the consideration of stakeholder relations which describe the comprehensive scope of CSR.⁸

Despite the different definitions of CSR, there are three points for which there is consensus. The first concerns the voluntary nature of social responsibility and the fact that the responsibility does not replace legal compliance. The second refers to the close relationship with the concept of sustainability, and the third refers to the fact that CSR is a strategic choice of the business and not just a secondary causal choice.

It is clear that the concept of CSR is still evolving⁹ and is now linked with

4 European Commission, ‘A renewed EU strategy 2011-14 for Corporate Social Responsibility’, European Commission (2017). Available at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0681&from=EN>, accessed 12 December 2017.

5 International Organisation for Standardization, *ISO 26000, Guidance Standard on Social Responsibility*, (Geneva: International Organisation for Standardization, 2010).

6 Netherlands Enterprise Agency, ‘Corporate Social Responsibility’ (The Hague: Netherlands Enterprise Agency, 2018), available at <https://english.rvo.nl/topics/international/corporate-social-responsibility>, accessed 12 December 2018.

7 UNIDO, ‘What is CSR?’, *UNIDO.org* (2017), available at from <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr>, accessed 17 December 2017.

8 D. Lund-Durlacher, ‘Corporate Social Responsibility and Tourism’, *Education for Sustainability in Tourism - A Handbook of Processes, Resources, and Strategies*, eds G. Moscardo and P. Benckendorff (Berlin: Springer, 2015), 59-73.

9 M. Asrar-ul-Haq, K. P. Kuchinke, and A. Iqbal, ‘The relationship between corporate social

sustainability. CSR has traditionally been seen by businesses as the design and implementation of activities that are aimed at reducing businesses' negative impact and which are focussed on the triple P (planet – people – profits), or more recently on the four main areas/pillars, namely society, environment, human resources, and market, or customers. In practice, the last two pillars constitute the economic dimension of sustainability, with the other two dimensions being the social dimension and the environmental dimension (biosphere). It is well known that our planet faces multiple and complex challenges in the 21st century that demand a whole new level of human initiative. If we continue on the current path – with intensifying climate change, depletion of vital natural resources and rising inequalities among people – we not only threaten future prosperity but risk a reversal of the progress in human development that we have seen so far.¹⁰ The world's population is expected to grow to nine billion by 2050, and demand on global food systems,¹¹ transportation and entertainment services increases every year.

On 25 September 2015, the 193 Member States of the United Nations adopted the 2030 Agenda for Sustainable Development. A set of 17 aspirational Sustainable Development Goals (SDGs), with 169 targets and many more sub-targets, are expected to guide the actions of governments, international agencies, civil society, organizations and other institutions over the coming years. These ambitious 17 goals of the 2030 Agenda are a global vision for people, for the planet and for long-term prosperity. They integrate the three dimensions of sustainable development – economic, social and environmental – while at the same time no one goal is separate from the others, and each calls for comprehensive and participatory approaches.¹² The 2030 Agenda for Sustainable Development is as relevant to developed nations as it is to developing states, and it charts a plan for the future – shifting the world onto a sustainable and resilient course and leading to transformation. Also, the new 2030 Agenda commits the international community to act together to achieve the Goals and transform our world for today's and future generations.¹¹

Organizations in all economic sectors are expected to contribute towards the

responsibility, job satisfaction, and organizational commitment: Case of Pakistani higher education', *Journal of Cleaner Production*, Vol. 142 (20117), 2352-2363.

10 UN Global Compact, *United Nations Global Compact Progress Report: Business Solutions to Sustainable Development* (New York, NY: UN Global Compact, 2017), available at <https://www.unglobalcompact.org/library/5431>, accessed 19 December 2017.

11 UN Global Compact, 'Food and Agriculture', (New York, NY: UN Global Compact 2016), available from <https://www.unglobalcompact.org/what-is-gc/our-work/environment/food-agriculture>, accessed 29 August 2016.

12 A. Antonaras and A. Kostopoulos, 'Stakeholder Agriculture: innovation from farm to store', *Driving Agribusiness with Technology Innovations*, eds T. Tarnanidis, M. Vlachopoulou and J. Papathanasiou (Hershey, PA: IGI Global, 2017), 125-147.

achievement of these universal goals. In particular, tourism represents an interesting challenge for sustainability because it directly impacts on and is impacted by both the socio-economic and environmental dimensions of sustainability.¹³ If used responsibly, tourism can be a force for positive growth and economic success.¹⁴ Responsible tourism is emerging as a significant market driver following consumer market trends' transition towards ethical consumption.¹⁵ According to UNWTO, tourism is one of the driving forces of global economic growth, and currently accounts for 1 in 11 jobs worldwide.¹⁶ In Cyprus, according to the Travel & Tourism Economic Impact report, issued by the World Travel & Tourism Council,¹⁷ the tourism industry is considered to have contributed 21.4% of the country's GDP in 2016. Therefore, tourism sustainability is vital, as explained in the section below.

Sustainability in the Tourism Sector

According to UNESCO, sustainable tourism is 'tourism that respects both local people and the traveller, cultural heritage and the environment'.¹⁸ Visit Scotland, Scotland's national tourism organization, defines sustainable tourism as 'tourism committed to generating a low impact on the surrounding environment and community by acting responsibly while generating income and employment for the local economy and aiding social cohesion'.¹⁹ The UN World Tourism Organisation defined sustainable tourism as the 'tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities'.²⁰

In order to contribute to the creation of a collective consciousness of tourism

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- 13 A. Postma, E. Cavagnaro and E. Spruyt, 'Sustainable tourism 2040', *Journal of Tourism Future*, Vol. 3, No. 1 (2017), 13-22.
 - 14 R. Dodds, 'CSR among Canadian mass tour operators: good awareness but little action', *International Journal of Contemporary Hospitality Management*, Vol. 22, No. 2 (2010), 221-244.
 - 15 H. Goodwin and J. Francis, 'Ethical and Responsible Tourism: consumer trends in the UK', *Journal of Vacation Marketing*, Vol. 9, No. 3 (2003), 271-284.
 - 16 United Nations World Tourism Organisation (UNWTO) *Tourism and the SDGs*, (2017), available at <http://icr.unwto.org/content/tourism-and-sdgs>, accessed 21 August 2017.
 - 17 World Travel & Tourism Council, *Economic Impact 2017 – Cyprus*, London: World Travel & Tourism Council (2017), available at <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/cyprus2017.pdf>, accessed 6 June 2017.
 - 18 UNESCO, *Sustainable tourism*, UNESCO (2015), available at http://www.unesco.org/education/tlsf/mods/theme_c/mod16.html, accessed 17 December 2017.
 - 19 Visit Scotland, 'What is sustainable tourism?', *VisitScotland.org* (2015), available at http://www.visitscotland.org/business_support/sustainable_tourism/what_is_sustainable_tourism.aspx, accessed 17 December 2017.
 - 20 UNWTO, *Sustainable development of tourism*, UNWTO (2015b), available at <http://sdt.unwto.org/content/about-us-5>, accessed 17 December, 2017.

based on the principles of sustainability, the Responsible Tourism Institute (RTI) has adapted the principles emanating from the 17 United Nations Sustainable Development Goals (SDG) to the reality of tourist agents at a global level.²¹ Table 1, below, provides an explanation of the SDGs under the tourism prism.

Table 1: SDGs explained under the Tourism Prism

SDG 1: End poverty in all its forms everywhere	Tourism is one of the main drivers of world trade and prosperity, and has continued to be even during these years of global economic crisis. The tourism sector is uniquely positioned to foster growth and economic development at all levels and to provide income through job creation.
SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	The supply of local agricultural products not only improves the well-being of the community of the destination but also increases its attractiveness in the tourist market, offering the tourists a greater authenticity in their experiences.
SDG 3: Ensure healthy lives and promote well-being for all at all ages	Tourism can have a notable effect on health and well-being, not only through its contribution to economic growth and sustainable development but also through its role as a transmitter of ideas and customs. By empowering local health practices, not only a channel of understanding between cultures is built but also good health and well-being practices can be shared.
SDG 4: Ensure inclusive and quality education for all and promote lifelong learning	A good level of training is crucial for the tourism sector. The sector can provide incentives to invest in education and professional training, promoting professional mobility through cross-border agreements on professional training [...] transmitting values of tolerance, peace and non-violence.
SDG 5: Achieve gender equality and empower all women and girls	As one of the sectors with the highest proportion of women employed and entrepreneurs, tourism can and should be a tool for the empowerment of women, helping to ensure that their participation in all aspects of society is full.
SDG 6: Ensure access to water and sanitation for all	Tourism has the moral and commercial imperative to improve its water management. The cost is a clear factor. [...] On the other hand, the moral aspect is equally compelling: water is a scarce resource in many resorts around the world, which is why hotels have the responsibility of not using more than necessary, especially in remote areas where only through efficient management is it ensured that local residents are not deprived of essential supplies.

21 Responsible Tourism Institute (RTI), *The 17 Sustainable Development Goals: fulfilling the resolutions of the World Summit on Sustainable Tourism* (Santa Cruz de Tenerife: Responsible Tourism Institute, 2017), available at <http://www.sustainabletourism2017.com/sustainable-development-goals-tourism/>, accessed 21 August 2017.

<p>SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>The tourism industry is one of the main interest groups in favour of good practices in energy saving, due to the great economic, social, cultural and environmental impact of its activity. The fact that tourism agents act in a responsible and sustainable way creates additional benefits that not only affect the well-being of the population but also allow destinations to increase their competitiveness and presence at an international level.</p>
<p>SDG 8: Promote inclusive and sustainable economic growth, employment and decent work for all</p>	<p>Sustainable economic growth and the reduction of poverty through tourism depend on it being able to generate employment opportunities, creating synergies with agriculture and local service provider sectors, and stimulating the development of basic infrastructure, such as roads and port and airport facilities. To this end, it is essential that tourism revenues be used to finance infrastructure development, to support local businesses, particularly SMEs, and to develop the skills and institutions needed to strengthen the local economy.</p>
<p>SDG 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	<p>Tourism development is based on good public and private infrastructure and an innovative environment. The sector must be committed to a constructive model based on the principles of sustainable development, in which different groups and market players contribute strongly to the settlement and application of a culture of protection of the environment and cultural identity applied to the building sector, based on the commitment to sustainability.</p>
<p>SDG 10: Reduce inequality within and among countries</p>	<p>Today, tourism provides stability at a time of special global economic volatility. Tourism can therefore become an instrument for the development of the community and the reduction of inequalities if it engages the local populations in its development. Tourism has the potential to contribute to urban renewal and rural development and reduce regional imbalances, giving communities the opportunity to thrive in their place of origin.</p>
<p>SDG 11: Make cities inclusive, safe, resilient and sustainable</p>	<p>A city is not good for tourists if it is not good for its inhabitants. Safety is one of the main guidelines ... in the choice of a destination during free time for tourism and recreation and must be interpreted as an objective and subjective state that allows us to perceive that we move in a space free from actual or potential risks. Sustainable tourism has a duty to analyze the problems of safety in the context of tourism and to address these problems in all its concrete manifestations, coming from the same sector, its social environment, the natural environment and the [...] tourist or visitor.</p>
<p>SDG 12: Ensure sustainable consumption and production patterns</p>	<p>A tourism sector that adopts sustainable consumption and production practices can play an important role in accelerating the global shift towards sustainability. To this end, initiatives for the efficient use of resources must be developed, leading to better results, not only economic but also social and environmental.</p>

<p>SDG 13: Take urgent action to combat climate change and its impacts</p>	<p>Tourism can play a leading role in the fight against climate change by fully mobilizing the resources and innovation capacity of this world economic sector of vital importance, guiding them towards this goal. Climate change will affect tourist destinations, their competitiveness and their sustainability in many aspects. It can directly alter environmental resources that are outstanding tourist attractions, or indirectly through loss of biodiversity, scarcity of resources such as water, or by levies derived from mitigation policies.</p>
<p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources</p>	<p>Coastal and maritime tourism, large segments of tourism, particularly for small island developing states, depend on healthy marine ecosystems. Tourism development should be a part of integrated coastal zone management in order to help conserve and preserve fragile marine ecosystems and serve as a vehicle for promoting a blue economy. Much of the tourism is in or near the oceans. Fishing, sailing, diving, snorkeling and cruising are examples of tourist operations that depend on the health of the oceans, coastal habitats and marine environments. The Blue Community programme has been actively involved in tourism programmes to protect oceans and marine environments and coastal habitats.</p>
<p>SDG 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p>	<p>Tourism may be the sector that is most interested in preserving the air, water, forests and biodiversity of the area, since they generate the assets (landscapes, wetlands, forests and other natural spaces) that are often the main cause why tourists visiting a destination. Tourism should play an important role, not only in the conservation and preservation of biodiversity but also in respect for terrestrial ecosystems, making efforts towards reducing waste and consumption, conserving flora and Wildlife, and awareness-raising activities.</p>
<p>SDG 16: Promote just, peaceful and inclusive societies</p>	<p>Sustainable tourism is called upon to contribute effectively to poverty alleviation and the eradication of destination inequalities, through a better redistribution of income and the elimination of exclusionary criteria and activities. It is in this context of fairness and just redistribution that tourism, being the largest and fastest growing industry, can and should equally become the first industry for world peace. To this end, initiatives that contribute to international understanding and cooperation, preservation of heritage and identity, and the search for a peaceful and sustainable world must be promoted and facilitated, making each traveler a potential 'Ambassador for Peace'.</p>
<p>SDG 17: Revitalize the global partnership for sustainable development</p>	<p>The active contribution of tourism to sustainable development necessarily presupposes the participation and collaboration of all public and private actors involved in tourism activities. Such concerted action must be based on effective mechanisms of cooperation and partnership in all areas, both at the destination and at the international level. The sustainable governance of destinations, beyond the powers of governments and administrations, is one of the great challenges today.</p>

Tourist operators and destinations are starting to realize the negative impacts that tourism can have on their product and are becoming aware that the very resources that attract tourists need to be protected for long-term business sustainability.¹³ The World Tourism Organization (UNWTO) – the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism – is working with governments, public and private partners, development banks, international and regional finance institutions, and other UN agencies and international organizations to help achieve the SDGs, placing an emphasis on Goals 8, 12 and 14, in which tourism is featured.¹⁵

More specifically, by giving access to decent work opportunities in the tourism sector, society – particularly youth and women – can benefit from enhanced skills and professional development.¹⁵ The sector’s contribution to job creation is recognized in target 8.9: ‘by 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products’. In addition, a tourism sector that adopts sustainable consumption and production (SCP) practices can play a significant role in accelerating the global shift towards sustainability. To do so, as set in Target 12.b of Goal 12, it is imperative to ‘develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products’.²² The Sustainable Tourism Programme (STP) of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) aims at developing such SCP practices, including resource efficient initiatives that result in enhanced economic, social and environmental outcomes.¹⁵ Furthermore, coastal and maritime tourism, tourism’s biggest segments, particularly for Small Island Developing States (SIDS), rely on healthy marine ecosystems. Tourism development must be a part of integrated Coastal Zone Management in order to help conserve and preserve fragile ecosystems and serve as a vehicle to promote the blue economy, in line with Target 14.7: ‘by 2030 increase the economic benefits of SIDS and LCDs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism’.²³

Sustainable tourism has received extensive academic attention over the years and an equal amount of debate.²⁴ It is evident that companies in the tourism sector play an important role in transforming the sector’s approach and introducing sustainability

22 UN, ‘Sustainable Development Goal 12’ Sustainable Development Goals Knowledge Platform (2017), available at <https://sustainabledevelopment.un.org/sdg12>, accessed 21 August 2017.

23 UN, ‘Sustainable Development Goal 14’, Sustainable Development Goals Knowledge Platform (2017), available at <https://sustainabledevelopment.un.org/sdg12>, accessed 21 August 2017.

24 A. Farmaki, P. Constantis, I. Yiasemi and P. Karis, ‘Responsible Tourism in Cyprus: the rhetoric and the reality’. *Worldwide Hospitality and Tourism Themes*, Vol. 6, No. 1 (2014), 10-26.

criteria into their operations.²⁵ These companies can align their strategies with the SDGs by promoting responsible tourism that represents the natural, cultural and social environment and that fosters the sustainable development of tourism destinations. Sustainable tourism, on one hand, as described by Swarbrook, is defined as ‘the forms of tourism which meet the current needs of tourists, the tourism industry and host communities without compromising the ability of future generations to meet their own needs’.²⁶ Whilst sustainable tourism seeks to achieve a particular combination of number and types of visitors in order to minimize the effect of their activities on the destination, responsible tourism extends beyond the management of natural resources and highlights the moral responsibility of tourism businesses towards host environments and societies.

Cyprus Tourism Sector

Cyprus is located in the eastern Mediterranean basin with a population of just under 850,000 inhabitants.²⁷ During the last three decades, Cyprus has been established as a very popular tourist destination, attracting more than 2.5 million tourists per year. According to the World Travel & Tourism Council, tourism in 2016 directly supported 26,500 jobs, representing 7.2% of total employment, with the total contribution to employment (direct and indirect) to be estimated at 80,500 jobs (22% of total employment). Tourism was estimated to have a direct contribution of 7.2% and a total contribution of 21.4% to the country’s GDP in 2016. According to CYSTAT,²⁸ in 2017, 4.2 million tourists arrived in Cyprus, while 2018 is a record year in tourist arrivals, with over 4.47 million arriving until the end of September. Tourism enterprises and professionals of the tourism sector are regulated and monitored by the Cyprus Tourism Organisation (CTO) based on the relevant legislation. CTO is a semi-governmental organization, under the responsibility of the Ministry of Commerce, Industry and Tourism,²⁹ and over recent years it has tried to promote sustainable tourism by acting as an advisory body to the private sector, offering incentives and organizing relevant seminars. However, the implementation of sustainable tourism in general and the adoption of responsible tourism practices have been minimal in

25 UN World Tourism Organisation (UNWTO), *The tourism sector and the sustainable development goals* (Madrid: UNWTO and UN Global Compact Network Spain, 2017), 29.

26 J. Swarbrook, *Sustainable Tourism Management* (Wallingford: CAB International, 1998), 13.

27 Statistical Service of Cyprus (CYSTAT), ‘Press Release – Demographic Report 2017’ (Nicosia: Statistical Services of Cyprus, 2018, November 30), 1.

28 Statistical Service of Cyprus (CYSTAT), *Statistical Service of Cyprus Monthly Economic Indicators (Bulletin) Jan – Oct 2018* (Nicosia: Statistical Services of Cyprus, 2018, December 7).

29 Cyprus Tourism Organisation, ‘About us’ (Nicosia: Cyprus Tourism Organisation, 2017), available at <http://www.visitcyprus.com/index.php/en/about-us>, accessed 29 August 2017.

an industry where short-term economic interests dominate decision-making. In 2016, Cyprus Sustainable Tourism Initiative (CSTI) was established as an independent organization, aiming to combine tourism demand (tour operators, agents) with the supply of tourism resources (small producers and their communities) so as to develop a sustainable approach to tourism in Cyprus.³⁰

According to Farmaki et al., there are two kinds of barriers to responsible tourism in Cyprus: adoption and implementation. The barriers to adoption of responsible tourism in Cyprus include poor understanding of the concept, lack of awareness, lack of government support and their perception that costs will be high, while the barriers to implementing responsible tourism in Cyprus include lack of cooperation, lack of coordination, diverse interests among stakeholders, and lack of monitoring.

Whilst efforts to establish responsible tourism in Cyprus are theoretically evident, the implementation of such practices has been minimal. The official tourism authorities in Cyprus remain an advisory body, lacking the executive powers that would enable them to promote responsible tourism more effectively. The CSTI has been successful in raising awareness of responsible tourism on the island, albeit at an embryonic stage and rather fragmented, as only selected hotels are participating in relevant schemes.

Method

The aim of this paper was to investigate how Cyprus-based businesses of the tourism sector perceive, understand and apply the concept of CSR, and how they determine their CSR priorities. In addition, this was the first attempt to highlight how the tourism sector understands its role in relation to the 17 SDGs. The results are expected to assist organisations of the tourism sector to be better aware of the current challenges and to set their priorities in aligning CSR-related activities to the global Sustainable Development Goals.

A quantitative research was carried out by collecting data from businesses operating in the tourism sector in Cyprus. An online questionnaire was developed to address the above questions, and following a pilot test, the survey was sent to over 300 businesses of the tourism sector, and more specifically to hotels, travel agencies, tour operators, the airport and airport ground handlers. The CSTI, CSR Cyprus and the Cyprus Hotel Association assisted in the dissemination of the online survey by forwarding it to their members. In total, 108 business representatives responded by successfully completing the survey. Table 2 presents the sample of businesses that responded to the survey by number of employees, geographical district and years in operation. The majority of respondents were from businesses with fewer than 100 employees (72.2%) and over

30 Cyprus Sustainable Tourism Initiative (CSTI), 'About us', CSTI-Cyprus Sustainable Tourism Initiative (2017), available at [HTTP://CSTI-CYPRUS.ORG/?PAGE_ID=8](http://csti-cyprus.org/?PAGE_ID=8), accessed 29 August 2017.

15 years in operation (79.6%). Descriptive statistics were used for the analysis of the data collected.

Table 2: Sample of Businesses that Responded to the Survey

No. of employees	%	District	%	Years in Operation	%
1-50	53.7	Famagusta	23.0	1-5	10.2
51-100	18.5	Larnaka	23.3	6-10	6.1
101-250	13.0	Limassol	16.4	11-15	4.1
251-500	13.0	Nicosia	23.0	15-20	20.4
500+	1.9	Paphos	16.4	20+	59.2
	100.0		100.0		100.0

Research Findings

The overall perceptions that Cyprus tourism businesses have about CSR are discussed and graphically analyzed in the following sub-sections. The research findings are presented in percentage terms with the aim of providing empirical evidence as a basis for discussion and reflection.

The majority of respondents (79.6%) reported that their organizations design and implement CSR-related activities. As illustrated in Figure 1, the most popular areas in which CSR activities are focused include the environment (55.6%), society (51.9%) and the market/customers (46.3%). When asked to identify the single most important CSR pillar for their organization, 34.9% of the respondents selected the human resources (HR) pillar, 32.6% the environmental pillar, 18.6% the market/customers pillar and 14% the society pillar. The main reasons for organizations to state this clear preference for the environmental and HR pillars may be that they find it easier to design CSR activities around these two. It should also be noted that, from its early stages, the CSR movement was linked with internal (people) and external (environment) organizational aspects, and therefore organizations have been dealing with people-related and environmental activities for quite some time now.

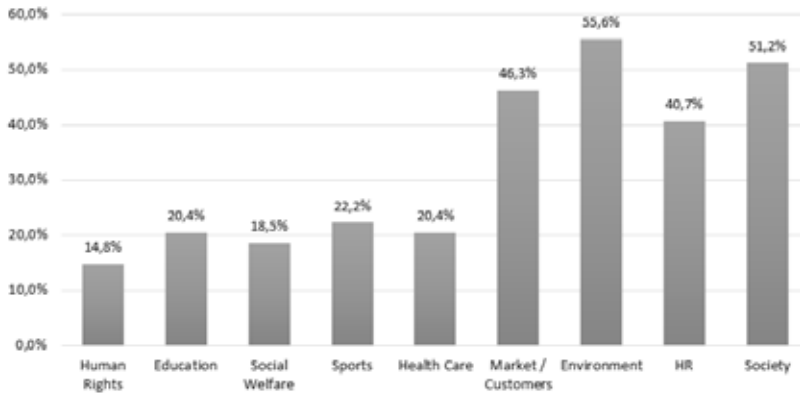


Figure 1: Areas of CSR related activities implemented by businesses

Analyzing the responses by the size of the responding organizations revealed that the majority of the implemented CSR-related activities had to do with the environment and their own human resources. It was evident that, for organizations with more than 250 employees, the two most important CSR pillars were human resources (75%) and society (25%). For organizations with up to 250 employees, the environmental pillar seems to be the most important (40%), followed by the HR pillar (25.7%), the market/customers pillar (22.9%) and the society pillar (11.4%). It seems that the Cyprus tourism sector perceives CSR in its traditional approach and targets CSR-related activities towards the four main pillars of society, environment, human resources and market/customers.

The research also revealed that 62.8% of the respondents who implement CSR activities had a CSR strategy in place, while almost a third (32.6%) also had allocated a specific budget for CSR activities. The majority (54.3%) of organizations with up to 250 employees had developed a CSR strategy, but only 22.9% had also allocated a specific CSR budget. On the contrary, all organizations with more than 250 employees had a CSR strategy and 75% of them had an allocated CSR budget. Clearly, the evidence shows that there is a need to increase company awareness regarding the importance for crafting a CSR strategy that would be aligned with the main corporate purpose.

The concept of sustainability and the recently announced 2030 Agenda seem to be issues that organizations of the tourism sector in Cyprus are not very familiar with. Only 35.2% of the participants have heard about the 2030 Agenda and the 17 Sustainable Development Goals during the last few months. The percentage drops even more (24.1%) when participants were asked to state whether they know what SDGs are all about. The challenge for the relevant sectoral authorities and business networks in Cyprus is to inform tourism sector companies about the 2030 Agenda and clearly explain how the 17 SDGs can be applied regardless of a business's size,

geographical location and ‘business maturity’ (years in operation).

According to the organizations that participated in the survey, the three most important SDGs for the Cyprus tourism sector are Goals 7, 13 and 3, which relate to access to affordable, clean energy (SDG 7), action against climate change (SDG 13), and good health and well-being (SDG 3). The importance of energy (SDG 7) can be explained by the traumatic experience of the tourism sector back in 2011, when an explosion near the power station at Mari left the island without electricity production capability for many months. Climate change (SDG 13) is considered important most probably because environmental protection was put on the CSR agenda a long time ago as part of the Triple P approach. The next more important SDGs are Goals 1, 2 and 8, which relate respectively to the reduction of poverty (SDG 1) and hunger (SDG 2) and to inclusive and sustainable economic development (SDG 8). Figure 2 illustrates how respondents prioritized the 17 SDGs. The higher the SGD bar the more important the SDG is for the respondents.

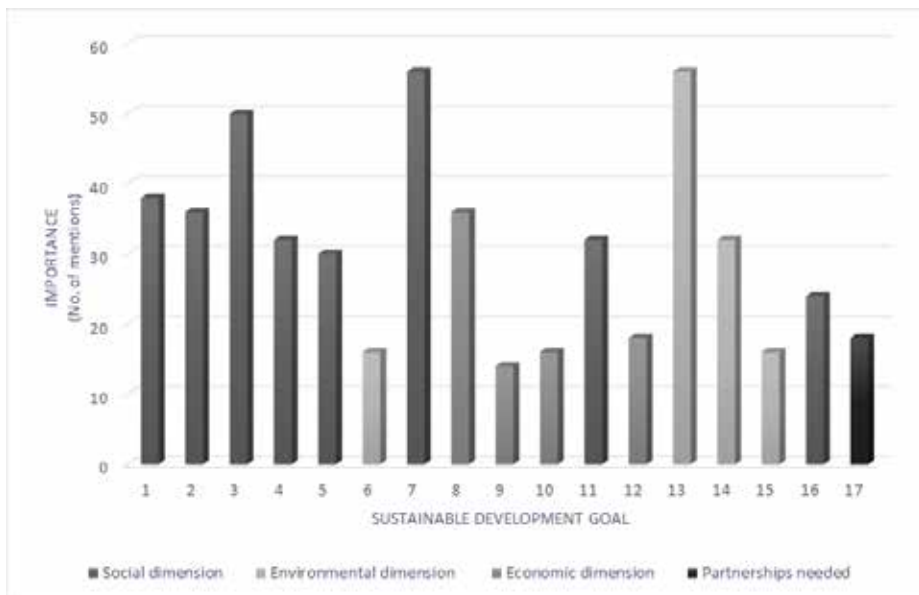


Figure 2: How respondents rated the importance of SDGs for their organizations

Furthermore, the sustainable development goals can be allocated into the three dimensions of sustainability (social, economic, environmental). Goals 1, 2, 3, 4, 5, 7, 11 and 16 constitute the social dimension, while Goals 6, 13, 14 and 15 constitute the environmental dimension and Goals 8, 9, 10 and 12 the economic dimension. The different shades used in Figure 2 correspond to the three CSR dimensions.

Goal 17, which relates to the partnerships needed for achieving the SDGs, is a goal that enhances the links required between governments, the private sector and civil society.

In a recent survey conducted in Spain by the UN Global Compact Network Spain and the World Tourism Organization, potential challenges in the tourism sector, in relation to the new 2030 Development Agenda, were identified. The challenges were classified into six priority areas: employment, environment, responsible production and consumption, partnerships, transparency, sustainable cities and supply chain. The survey revealed that companies in Spain have highlighted five sustainable development goals they consider priorities for the tourism sector in Spain: Goals 5, 8, 11, 13 and 17.³¹ Comparing the findings of the Cyprus study with the SDG priorities in the Spanish tourism sector, one can clearly identify Goals 8 and 13 are common priorities. In addition, the latest Progress Report, published in 2017 by UN Global Compact, indicated that SDG 8 is the global goal on which businesses believe they can have the greatest impact.

The major challenges for companies of the tourism sector in Cyprus, regarding the 2030 Agenda, are the lack of guidelines on how to get engaged with the SDGs (33.3%) and society's insufficient understanding and knowledge about the SDGs, in general (31.5%). Other challenges are the lack of financial, human, technological and other resources (14.8%), the lack of government commitment, support and policies (14.8%), and the lack of top management commitment (5.6%). It is evident that businesses of the sector need to be informed and better educated about the SDGs and on how to align corporate activities with those SDGs that are more relevant to the business. The need for education for sustainability goes beyond businesses of the tourism sector. Apart from the need to enlighten and educate tourism companies, there is a need to educate tourism destination communities and tourists themselves about the sustainability agenda and the SDGs.

Conclusions

The survey conducted in the Cyprus tourism sector revealed that CSR is still perceived in its traditional approach, with the majority of CSR-related activities being targeted in the four main CSR pillars, namely, society, environment, human resources and market/customers. An interesting finding was that the smaller the business is, the more diverse is their interest in the four pillars. Large businesses seemed to focus their CSR activities on their human resources and society.

Clearly, there is a need to increase awareness in the tourism sector regarding the

31 UNWTO, *The tourism sector and the sustainable development goals* (Madrid: UN World Tourism Organisation and UN Global Compact Network, 2017), 22-26.

importance of crafting a CSR strategy, which has to be aligned with corporate purpose. The research indicated that small and medium business usually do not allocate a budget for CSR-related activities and that the larger the business the more likely it is to have a CSR strategy and relative budget.

It is critical that the entire tourism industry become more sustainable as it has environmental, social and economic impacts.³² The understanding of the 2030 Agenda and the 17 SDGs is still at low levels among businesses in the tourism sector. The current challenge for the relevant sectorial authorities and business networks in Cyprus is to inform tourism companies about the 2030 Agenda and to clearly explain how the 17 SDGs can be applied regardless of size, geographical location and ‘business maturity’ (years in operation). Therefore, there is a need to more critically analyze how tourism affects all dimensions of individual and community well-being or quality of life and to encourage alternative and more responsible approaches to tourism planning and management across the range of key stakeholders.³³

The most important SDGs for the Cyprus tourism sector relate to access to affordable and clean energy (SDG 7), action against climate change (SDG 13), good health and well-being (SDG 3), reduction of poverty (SDG 1), reduction of hunger (SDG 2), and inclusive and sustainable economic development (SDG 8).

It is certain that there will be significant opportunities for business to scale engagement around the SDGs. The recent UN Global Compact Progress Report (2017) estimates that the business opportunity in delivering the SDGs can generate up to \$12 trillion worth of business value. It is therefore of paramount importance for the Cyprus tourism sector to focus on sustainability and to align their strategy towards addressing the SDGs that the sector considers to be relevant.

Recommendations

One of the main challenges of the Cyprus tourism sector is relative to the environment and the need to take actions against climate change (SDG 13). Tourism activities can have impacts on ecosystems, so it is necessary to promote the efficient management of resources and to support measures against climate change. In order to achieve sustainable tourism, it is necessary to promote access to affordable, clean and modern energy in destinations (SDG 7). Companies in the tourism sector can commit to developing energy-efficiency measures as well as to increasing the use of renewable energy in their operations, while decreasing their reliance on fossil fuels,

32 D. De Lange and R. Dodds, ‘Increasing sustainable tourism through social entrepreneurship’, *International Journal of Contemporary Hospitality Management*, Vol.29, No.7 (2017), 1977-2002.

33 P. Benckendorff and G. Moscardo, ‘Education for Sustainability Futures’, in *Education for Sustainability in Tourism* (Berlin: Springer, 2015), 271-283.

in order to achieve a sustainable and beneficial economy for all. Tourism represents more than 20% of Cyprus' GDP and has a direct effect on poverty levels (SDG 1). The sector should promote the creation of decent jobs that improve the well-being of the local population and help them to obtain a fair income, security and social protection, and better prospects for their personal development and social integration. In addition, businesses in the sector can promote sustainable tourism, stimulate agricultural production through local consumption, offer alternative business models, such as agro-tourism, and be respectful of the environment and local customs (SDG 2). The tourism sector can operate in a sustainable, healthy and safe manner for local communities, tourists and employees, contributing to the well-being of all of them (SDG 3). Implementing appropriate health and safety plans and carrying out suitable measures to prevent accidents or health problems among tourists and employees are measures that companies can contribute. The companies of the sector provide jobs that should be decent throughout their value chain. They should also encourage the hiring and entrepreneurship of local people, especially among vulnerable groups.

Further research to extend this initial analysis in the future should move in two directions. First, organizations in other industries in Cyprus should be included in the analysis to determine whether they also have similar CSR behaviour and SDGs priorities to the tourism sector and to identify possible differences. Second, other Mediterranean basin countries should be included to compare how they perceive and apply CSR and how they understand their role in relation to the 17 SDGs.

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