CSR initiatives: Benefactors of Sustainable Development or Smokescreens and Window Dressing? Evidence from Jamaica's Tourism Industry

by

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Abstract

This paper argues that corporate social responsibility (CSR) as a mechanism of corporate legitimation can sabotage the potential of foreign direct investment (FDI) to be a vehicle for the sustainable development of developing host countries. A case study of the Gran Bahia Principe Hotel Resort in Jamaica is used to explore latent issues that undergird this problematic. The case study suggests that issues such as: the absence of mutual vulnerability between the Multinational Corporation (MNC) and the host, and the enclave structure of some MNCs influence their relationship with government and society. These issues can foster a purely instrumental and symbolic approach to CSR and thereby restrict its developmental capacity. The paper concludes that corporate innovation and a separation of business and development are two options for enhancing the benefits of CSR to community development. It also recommends that governments reassess their role in maximizing these benefits.

December 20, 2012

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List of Acronyms

CDA	**Critical Discourse Analysis**
CSR	**Corporate Social Responsibility**
EAST	**Environmental Audits for Sustainable Development**
EIA	**Environment Impact Assessment**
EMS	**Environmental Management Systems**
ESD	**Ecological Sustainable Development**
FEE	**Foundation for Environmental Education**
FDI	**Foreign Direct Investment**
GRI	**Global Reporting Initiative**
HOJAPI	**Hoteles Jamaica Piñero**
IUCN	**The World Conservation Union**
JET	**Jamaica Environment Trust**
JHTA	**Jamaica Hotel & Tourist Association**
JNHT	**Jamaica National Housing Trust**
JTB	**Jamaica Tourist Board**
MNC	**Multinational Corporation**
MNE	**Multinational Enterprise**
NEPA	**National Environment & Planning Agency**
NGO	**Non Governmental Organization**
NJCA	**Northern Jamaica Conservation Association**
NRCA	**National Resources Conservation Authority**

NWC	**National Water Commission**
ODPEM	**Office of Disaster Preparedness and Emergency Management**
OECD	**Organization for Economic Cooperation and Development**
RADA	**Rural Agricultural Development Agency**
RJR	**Radio Jamaica Limited**
SJF	**The Spanish Jamaican Foundation**
STATIN	**Statistical Institute of Jamaica**
TVJ	**Television Jamaica Limited**
UNCTAD	**United Nations Conference on Trade and Development**
UDC	**Urban Development Corporation**
UNWTO	**World Tourism Organization**
WCED	**World Commission on Environment and Development**
WRA	**Water Resources Authority**
WTTC	**The World Travel & Tourism Council**
WWF	**World WildLife Fund**

Chapter One – Purpose of Study

1.1. Purpose

My interest in this thesis grew out of an increasing awareness that tourism, the new

flagship foreign exchange earner for my country Jamaica, created similar tensions to

those associated with its predecessor the bauxite/alumina industry. Growing up in a rural

mining community where multinational bauxite/alumina corporations were on one hand

appreciated while, on the other hand chastised [1]gave me firsthand experience of the

paradox that development can also lead to underdevelopment.

Like the bauxite/alumina industry, tourism is a multinational corporation (MNC)

dominated industry. While being promoted and welcomed as a source of economic

development, tourism development also drew and continues to draw the ire of local

environmentalists and some of its other stakeholders in Jamaica. Despite cries of

uncontrolled development, irreparable environmental damage and social decline, tourism

development has continued along a path that deviates from its 2002 Master Plan for

Sustainable Tourism Development which has objectives of "community based tourism"

and "environmental sustainability" among others. (See Appendix 1 for a brief outline of

the objectives). Of note is government's persistence in this vein despite self-

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[1] The bauxite/alumina corporations were welcomed for spinoffs such as higher paying jobs, improved infrastructure, increased social services and, a vibrant local economy fuelled by thriving linkage industries and simultaneously chastised for externalities.

contradiction and in the face of objections from local industry interests, development

experts, technocrats and other aggrieved stakeholders (Manning, 2006a; Ehotelier, 2008).

A case in point is the Spanish owned Piñero Group being allowed to build and expand its

Gran Bahia Principe hotel resort at Pear Tree Bottom –one of Jamaica's treasured

biodiversity rich and ecologically sensitive zones– despite the opposition to this project.

Also, government's failure to act on the recommendations (despite the 'grim findings') of

a study it commissioned to determine the sustainability of its tourism expansion

programme (Manning, 2006, para. 5) suggests a change in its sustainable development

agenda.

Governments might act –or appear to act— as described for various reasons, such as: to

fulfill economic obligations; inadequate regulatory and monitoring capacity; and weak

political will, all of which are in some way related to the economy. Governments

therefore aggressively seek opportunities to improve the economic situation of their

countries in order to finance their manifestos. One option is attracting foreign direct

investment (FDI).[2] The "OECD defines FDI as 'capital invested for the purpose of

acquiring a lasting interest in an enterprise and of exerting a degree of influence on that

enterprise's operations'" (as quoted in Gentry, 1999, p. 2). According to Lougani &

Razin (2001) FDI is preferred to free capital flows as "[it] is thought to be 'bolted down

and cannot leave so easily at the first sign of trouble.' Unlike short-term debt, direct

investments in a country are immediately repriced in the event of a crisis" (para. 8).

Nevertheless, writers like Korten (1995) and Pilger (2002), and Christian Aid (2004)

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[2] An increase in FDI "can [also] be related to numerous factors including the liberalization of the global economy facilitated by lower tariffs on trade in goods and services and extensive economic reforms" (Gray, 2002, p. 306).

contend that some international investors actually intimidate their hosts with threats of withdrawal if their demands (for example for concessions) are not met. A case in point is Russian bauxite conglomerate; UC Rusal, the parent company for Windalco alumina refinery in Jamaica has demanded environmental concessions from the Jamaican government[3] as a precondition for the reopening of its Kirkvine plant which the company shut down in 2010 due to the effects of the world recession (Financial Gleaner, 2011). According to the Financial Gleaner (2011) "in February Rusal … in negotiating the opening of Kirkvine proposed a two-year relief of the bauxite levy, as well as the cancellation of the environmental levy on imports" (para. 19). The company "controls approximately half of Jamaica's alumina production capacity" (para. 7) which includes other plants such as the Ewarton plant which it is reported was reopened last June when "in exchange for the jobs and economic activity generated by … [the plant] the Government offered a full waiver of the levy" (para. 16). The closures and consequent loss of income to Jamaica's budget have been crippling (para. 11). The Financial Gleaner (2011) reports that:

> In the 2007-08 fiscal year the Government earned approximately J$5 billion from its bauxite production levy …. In 2008-09, the projected earnings … [were] more than J$8.6 billion, but Jamaica received only half of that amount as bauxite and alumina production declined and prices fell. Indeed, for the first 10 months of the closing fiscal year, up to January, the Government earned only J$255 million from the tax, less than half its projection (para. 12 - 14).

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[3] These demands are being made despite the subsequent sharp rise in the price of aluminium (Financial Gleaner, 2011, para.1).

Multilateral financial institutions have prescribed 'policies known as the Washington Consensus' as a cure for underperforming economies, after which the restructured economies would attract FDI, what Gallagher & Zarsky (2007) refer to as "the engine of development under the globalization orthodoxy …." (p. 3). FDI has also been widely recognized as a proven driver of sustainable development (Zarsky, 1999, p. 5; Gentry, 1999, p. 10; Agenda 21) primarily because of the benefits host countries are said to gain from this investment. For example, in addition to economic benefits such as tax revenues and inflows of foreign exchange there are social and environmental benefits such as increased employment, knowledge transfer which includes advanced methods of environmental protection, and other benefits from voluntary corporate initiatives (Gray, 2002, p. 306; Lougani & Razin, 2001, para. 4; Gentry, 1999, p. 10). According to Gentry (1999):

> Given the long-term interest of foreign direct investors and their focus on market growth, their goals for a country's pattern of development are likely to be close to those of the host government. This provides the first important building block for the effort to use FDI as a vehicle for integrating investment and environmental factors (p. 10).

This scenario creates investment competitiveness among countries which ultimately, can have environmental implications when the regulatory behaviour of host government and the responsiveness of investor are influenced in this regard (OECD, 2002, p. 5). Various

competitiveness strategies —in the form of incentives such as tax holidays, relaxed regulations or 'soft policies' and in some other cases stiffer regulations or 'hard measures'— are employed to win over investors (UNCTAD, 2007, p. xv; Lougani & Razin, 2001, para. 5). As already illustrated by the UC Rusal case, investors may play hardball with governments, and even more so in situations where countries are grappling with dire fiscal constraints.

The implications of competitiveness strategies for the environment have been argued at two extremes, (i) a race to the bottom creating pollution havens and (ii) pollution halo which is sometimes created by a race to the top.[4] There is also a neutral position which is referred to as regulatory chill. I will elaborate on these theories further in the paper. Gentry (1999) found that FDI is both a 'boon and a bane' to the environment as various and unrelated examples can be found to support each argument (p. 2). Given the dependence of some small island developing states on the foreign dominated tourism industry for development, the purpose of this study is to revisit the question of whether FDI is a realistic option for a developing country's 'sustainable development'.

This paper will examine the CSR themed corporate messages of the Gran Bahía Príncipe Hotel Resort (a Spanish MNE) to see whether its discursive practices suggest substantive (real commitment) to sustainable development or whether they are symbolic and mystifying with seeming self serving aims. In this regard I will attempt to identify the organization's focus and intent. One approach will be to identify strategic, institutional and dialectic rhetoric which give an indication of focus and intent because strategic

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[4] See Whellams, 2007, p. 17 for a detailed review of wide-ranging benefits and consequences of FDI.

rhetoric involves influencing stakeholders often through manipulation; institutional rhetoric also seeks to influence but relies on stakeholders' assumptions and taken-for-grantedness, the organization therefore communicates association, and conformity to expectations with an aim to reinforce these subconscious opinions; dialectic rhetoric seeks to engage stakeholders and invite consultation – a participatory approach. Identifying symbolic action and substantive action will be guided by the definitions of Walker & Wan (2011) and Ashford & Gibbs (1990). Another approach will be to look at the company's pattern of behavior in tandem with the image it portrays in various media. Ultimately, the aim is to determine what the implications of the MNC's messages are for Jamaica's sustainable development.

1.2. Need for study

I have found the discussion on FDI's potential impact on a developing country's environment to be mainly at the macro level so much so that it seems to have repressed debate on issues –fundamental to FDI's impact– at the micro or organizational level. I refer to such issues as unequal power, organizational legitimacy and impression management, and the enclave industry model. Though a great deal of research has been done on these issues in and of themselves, few papers connect the dots –micro-macro, macro-micro– leaving a gap in the research and as a consequence a lack of attention to how such issues latently determine the potential of FDI to provide some of the benefits for which it is sought. This study aims to contribute to the literature by discussing some of these often overlooked issues in relation to their impact on sustainable development; it

may be interesting to government technocrats, environmentalists and students of development and business strategy who are interested in optimizing the value of foreign investment to developing countries, and FDI's potential to drive sustainable development.

1.3.   Introduction

While theorists like Kuznet for example argue that initially there is an unavoidable environmental cost to development,[5] others advocate the possibility of reconciliation – i.e. finding a balance between the environment and development through sustainable development strategies. Since committing to the UN Millennium Declaration in 2000, the agenda of most developing countries has been to achieve by 2015 the 8 Millennium Development Goals. My focus is the 7th Goal; to ensure environmental sustainability by the sustainable use of environmental resources, restoration and rehabilitation of depleted resources and, reducing (or arresting) social stressors on the environment. Though the term sustainable development has been described as meaningless and immeasurable (Adams, 2006, p. 3), cliché (Fergus & Rowley, 2005, p. 19), and ambiguous (Pérez & Llorente, 2006, para. 17) among others, it is being recommended as a better option to "conventional growth strategies" (Shrivastava, 1995, p. 941) which "allow trade-offs and place greatest emphasis on the economy above other dimensions of sustainability" (Adams, 2006, p. 4). Korten (1995) refers to such declarations of –economic– development which comes at the expense of growing inequalities for example, as 'the growth illusion' (p. 37).

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[5] Kuznet theorizes that after a certain level of economic prosperity environmental protection will increase progressively - See Kuznet's Environmental Curve.

Sustainability terminology now pervades government documents; however there is the

view that governments are not always the best protectors of the environment on account

of their actions favouring short term gain over long term sustainability (Pattullo, 2005, p.

140; North Coast Times, 2008, para. 12; Korten, 1995); As Figueroa (2009) put it:

> [The government] see[s] no problem with the inevitable negative environmental
>
> impacts because a 'balancing' act is always mindlessly destroy the environment
>
> for a few short term jobs and a great display of Modern Progress no matter how
>
> fatuous the long term or even middle term social and economic benefits (para. 4).

The mistrust also arises from evidence of inconsistent enforcement and monitoring

attributable to a number of reasons such as, already mentioned financial constraints, and

obscure regulatory constraints dictated by international trade agreements (Gray, 2002, p.

311). For instance, Uruguay was forced to bow to the pressure of Tobacco giant Philip

Morris and weaken its anti-smoking policy in order to "comply with international trade

obligations" (Carroll, 2010, para. 5).

Multinational enterprises (MNE) have also embraced sustainability through corporate

initiatives, in the past (during the Cold War) as a corporate protectionist measure –against

communism– in support of free-market capitalism (Spector, 2008, p. 314), and extant as

both a risk management strategy (in response to increased environmentalism and public

outcry against industrial externalities) and a competitive strategy (Greer & Bruno, 1996).

Given their power and vast resources (in comparison to some developing country governments there is an expectation that MNEs assume roles of benefactor and co-guardian of sustainable development in their operating environments (Shrivastava, 1995, p. 937). For reasons (some already mentioned) such as securing legitimacy, impression management, risk management, profit maximization, ethics, and altruism, the private sector has increasingly become involved in the global sustainable development agenda through voluntary initiatives; an approach in Corporate Social Responsibility (CSR), which based on the focus of this paper is in effect a firm's voluntary participation in narrowing the gap between unsustainable and sustainable development.

Studying the role of corporate social responsibility (CSR) in development and in particular whether companies' corporate social responsibility (CSR) "can contribute to the sustainable development of the communities in which they operate" (Whellams, 2007, p. 3), Whellams (2007) looked at the contribution and sustainability of the CSR projects of Newmont Mining in Bolivia and Peru and concluded that: (i) capacity building projects contributed more to sustainable development than philanthropic contributions which tended to encourage a culture of dependency (p. 103); (ii) the composition of the community was a determinant of the effectiveness of CSR projects, for example whether residents participating in capacity building programs were permanent residents or temporary residents[6] and the implications of this for the sustainable development of the community (p. 104); and (iii) the involvement and collaboration with stakeholders (government, NGOs and, local community) in the design

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[6] Temporary residents were migrant families or workers that would eventually relocate at the end of their contract.

phase which would increase project effectiveness and reduce community dependency on firms (p. 105). This research will take a step back to investigate how CSR used symbolically with the sole agenda of corporate legitimation impacts corporate contribution to sustainable development. For example, an organization's choice and use of legitimacy management mechanisms (e.g., philanthropy, capacity building projects, cause marketing, corporate reporting, greenwashing, environmental management systems among others) are indicators of its focus. In addition, how it portrays itself in the media compared with independent or unaffiliated reports of actual behavior also provides insight in regard to reliability and commitment to sustainable development. The enclave business structure (a characteristic of many multinational operations) and the implications of its features in regard to sustainable development are also investigated. For example, in reference to Whellams' conclusion concerning the need for collaboration in achieving sustainable development; does the management of an enclave operation genuinely collaborate with local stakeholders beyond its boundary in the conceptualization, design and implementation of projects? Or, regarding aspects of its operations that affect the community?

I began my study by focusing on the question, "Can foreign investment contribute substantively to the sustainable development of developing host countries when the foreign entity's primary income earning markets are foreign? As I reviewed the literature and eventually found a case to study, I focused my research more specifically on exploring how CSR used by MNCs as a legitimating mechanism can negatively impact its contribution to sustainable development.

Here substantive means substantial in terms of:

- enhanced capacity as it relates to human, social and economic resources, and

- real positive change as it relates to the protection and preservation of ecological and social resources

both of which should also take into account the underlying issues that create the problems of exploitation and degradation.

My general research questions include:

i. Why might FDI be incompatible with a sustainable development agenda?

ii. How might context affect an MNE's strategies in managing reputation and risk?

iii. How does an MNE manage its legitimacy through its discursive practices?

- What type of rhetoric is used?

- What type of sustainable development themes do firms espouse in their messages?

- Which stakeholders are legitimacy management messages directed at?

iv. Do CSR themed messages relay substantive or symbolic action regarding the corporation's contribution to sustainable development?

1.4. Organization of the Study

Chapter One introduces the study. Chapter Two reviews relevant literature which includes looking at the concepts of FDI and sustainable development in relation to each

other, and the relationship between business and society as a precursor to the discussion on corporate legitimacy. Next, CSR in its capacity as a legitimating mechanism is explored. In Chapter Three methods are described. The context of the case follows in Chapter Four where an overview of tourism along with some of its issues and barriers are discussed. In addition, I look at the enclave structure in relation to sustainable development. Next the case study of the Bahia Principe Hotel Resort is presented in Chapter Five. Chapter Six contains the case analysis while Chapter Seven deals with the Implications of the findings. The final chapter; Chapter Eight, limitations of the study and Directions for Future Research are discussed.

Chapter Two – Literature Review

2.1. Foreign Direct Investment

Many studies have been done on the links between FDI and the environment. The OECD (2002) reviewed general trends in competition for FDI focusing on three main issues linked to those trends: the notions of a 'race to the bottom/pollution havens', 'regulatory chill' and a 'race to the top/pollution halo'.

Some theorists argue that competition among countries to attract industry leads them to act contrary to the long-term interests of the country –by offering concessions– leading to what is referred to as a race to the bottom (OECD, 2002, p. 6). Studies however refute

this theory due to the lack of comparable data and statistical evidence (Gentry, 1999, p. 7; Zarsky, 1999, p. 2). At the other extreme is a race to the top "where stronger environmental policies can improve a country's competitiveness by fostering innovation and efficiency" (Porter, 1990 as cited in OECD, 2002, p. 9) and, attract investors looking to maintain or enhance their reputation/image. Another aspect of the race to the top involves knowledge transfer, in that investors from industrialized countries export newer, cleaner, upgraded technologies and environmental management systems to emerging countries (OECD, 2002, p. 9) which overtime are adopted by local firms and lead to aggregate improvement in environmental performance and standards. Additionally, there is a neutral position referred to as 'Regulatory Chill' where governments neither enact nor enforce environmental or social standards due to concerns about losing competitive edge (OECD, 2002, p. 15). Albrecht (1998) however pointed out "that the greater the country's export diversification, the less a chance of regulatory chill from the threat of relocation or outsourcing" (as cited in OECD, 2002, p. 16). Regulatory chill may also stem from "fear of compensation requirements" (Davarnejad, 2008, p. 7) influenced by constraints in investment agreements. Ultimately, such a scenario may lead to a situation where environmental regulation gets 'stuck in the mud' as governments may be reluctant to increase regulation out of fear of investor challenge (Gray, 2002, p. 311).

Zarsky's (1999) analysis of statistical and case study evidence led her to conclude that "the mix of demonstrated positive, negative and neutral effects of foreign direct investment mitigates against any overarching conclusion about its incremental effects 'on

average'… [She stated that] there is no average, performance is context-dependent" (p. 3) but however points out that "… while pollution havens cannot be proven, a pattern of agglomeration is discernible, one based not on differences in national environmental standards, but on differences in income and/or education of local communities" (Zarsky, 1999, p. 3).

With the debate seemingly at a stalemate, Gentry (1999) focused on the opportunity FDI presents as a possible "vehicle for bringing more private investment to the goal of sustainable development" (p. 2). He pointed out that:

It has the demonstrated potential to promote basic environmental goals: increased awareness of environmental factors, increased efficiency of resource use [and], new resources to address existing environmental problems. It is the largest investment category most directly affected by environmental considerations. Success with FDI can also be used to pull other types of private investment onto a more sustainable path. While integrating these financial and environmental goals will not complete our journey to sustainable development – important social issues remain to be addressed – they are critical parts of progress in that direction. (p. 2)

Given the potential contribution of FDI Gentry (1999) suggested that governments provide an enabling environment where stability and predictability are key characteristics (p. 17) in order to attract this type of investment.

To summarize, the discussion so far suggests that FDI can be both harmful and beneficial to the national sustainable development agenda. While numerous studies conclude that statistical and case study evidence do not support the Race to the Bottom theory, there is a pattern of pollution where those with weak capacity reside.

Despite individual cases to support each theory (Pollution haven/halo and regulatory chill), inconsistent data and the lack of overarching evidence does not allow assessment of FDI's aggregate impact on the environment. The view that corporate environmental performance is contextual suggests that qualitatively analyzing the current involvement of foreign investors in relation to what is required to drive and attain ecological sustainability within the context that they operate would be a useful approach in determining FDI's potential impact.

The following section draws on the literature to show how sustainability, power and legitimacy are conceptualized in the study.

2.2 Sustainable Development

The concepts of sustainability and sustainable development have been applied broadly resulting in many definitions reflecting individual interests. According to Fergus & Rowney (2005) "to some extent the term [sustainable development] has … [been] applied to almost anything remotely related to the business processes, the society in which those

processes operate and the environment in which both processes and society are embedded" (p. 19) causing such criticisms[7] as, 'vague', 'contradictory', 'immeasurable' and, 'meaningless'. Nevertheless for Sagebien et al. (2008) sustainable development can be a practical concept if defined in terms of "poverty reduction, equitable resource distribution, respect for ecosystem limits, and capacity building for long-term social, environmental, and economic health of communities" (p. 105).

Before proceeding it is important to provide formal definitions of sustainability and sustainable development. For the purposes of this paper I refer to Ott (2003), "[s]ustainability means that present and future persons have the same right to find, on the average, equal opportunities for realizing their concepts of a good human life" (p. 60). "Accordingly, sustainable development is development that reaches or maintains a sustainable state" (Ibid). While we can speculate, we cannot determine definitively what future generations' "concepts of a good human life" will be, therefore the onus is on us, the present generation to preserve and protect the resources loaned to us so that our future generation will –in addition to furthering our generation's advancements also– at least have the options we have to develop as they see fit. I have chosen Ott's definition of sustainability because it provides a clear-cut and coherent premise from which to assess the behavior of corporations and their responses to the issues that will be discussed later in this paper.

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[7] For example, Daly, 1990, p. 1; Fergus & Rowney, 2005, p. 19; Adams, 2006, p. 3; Sagebien et al., 2008, p. 105

One of two paths can be taken within the sustainability framework – 'weak sustainability' and 'strong sustainability'– which Getzner (1999) pointed out "… is sometimes seen as a discussion between (neoclassical) environmental economics and ecological economics" (p. 175) respectively. Weak sustainability allows trade-offs between the social, economic and ecological dimensions of sustainability. Meaning, the loss of natural finite resources due to consumption is reconcilable by an equal value of 'man-made' or 'artificial' capital in the pursuit of development (Adams, 2006, p. 3; Kallio & Nordberg, 2006; Stubbs & Cocklin, 2008). Scholars such as Banerjee (2003) criticized the weak model for being Western focused, exploitative, and ignorant of local community needs in the South, as well as allowing MNCs to neglect the local context in their strategies and operations. Strong sustainability on the other hand, does not allow for trade-offs on the basis that "[t]he environment underpins both society and economy …. [and] present[s] a finite limit on human activity" (Adams, 2006, p. 3; also see Ott, 2003, p. 62, and Getzner, 1999, p. 170). Whellams (2007) adopted weak sustainability given that her study involved consumption of a finite resource that could only contribute to sustainable development through substitution (p. 5). This study however adopts strong sustainability for the reason that 'critical natural capital' being "elements of the biosphere that cannot be traded off (e.g., critical ecosystems and species)" (Adams, 2006, p. 4) or simply put the natural environment, is in large part the main attraction to Jamaica's tourism product so if it is destroyed the industry will be destroyed. As expressed by then Deputy Secretary General of the Caribbean Tourism Organization, Karen Ford-Warner, "[t]he fact is that Jamaica attracts people looking for what they have lost back at home: a clean green and

blue environment" (cited in Bowe, 2004, para. 3); if this is destroyed Jamaica could lose its competitive advantage in the industry.

The most commonly cited definition of sustainable development is the Bruntland Report definition: "sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". It implies that aspects of development –economic growth– can cause underdevelopment; environmental and social degradation (Adams, 2006, p. 2); this occurs when 'quantitative increase' is given priority over 'qualitative improvement' or as Fergus & Rowney (2005) put it, "… economics over ethics" (p. 18). Daly (1990) pointed out that "[f]or the management of renewable resources …. [r]egenerative and assimilative capacities must be treated as natural capital, and failure to maintain these capacities must be treated as capital consumption, and therefore not sustainable" (p. 2) Nonrenewables can be "… exploit[ed] … in a quasi-sustainable manner by limiting their rate of depletion to the rate of creation of renewable substitutes" (p. 4). Sustainability is therefore fundamental to real development. Pérez & Llorente (2006) cautioned however, that "[b]y linking the idea of development with that of sustainability, the limits and restrictions of the exploitation of resources are pushed back and markets are opened to free use in favor of economic growth" (para. 20). Albeit, Shrivastava (1995) advocated that sustainable development and moreso ecological sustainable development (ESD) surpasses 'conventional growth strategies' (p. 941). He defined ESD as "a comprehensive strategy for global development" (p. 938) in which, impacts of populations on ecosystems, management of ecosystem resources, food security, and creating sustainable economies

in relation to energy use, industrialization and urbanization are the key elements (Ibid).

Corporations as sources of economic activity are expected to supplement government

effort to achieve sustainable development (Shrivastava, 1995, p. 937). No longer are they

seen only as drivers of development; recognition of their contribution to

underdevelopment now requires that they respond to sociopolitical demands to justify

their existence.

2.3. The Business and Society Relationship

The interrelationship between business and society seems best described by a hybrid

business ecology and stakeholder model. In the business ecology model "society is an

interacting network of influences" (Steiner & Steiner, 1994, p. 10) in which an

organization's structure and operations are influenced by sociopolitical and economic

demands. The extent of an organization's accommodation of these demands determines

its acceptance and ultimately its survival. As Sagebien et al. (2008) pointed out:

> Private actors are heavily affected by and responsive to market forces, which are
> in turn shaped by the economic system. However, private actors must also be
> responsive to public actors, from a regulatory perspective, and to citizen actors
> from a social license perspective. Finally, private actors are also affected by the
> policies of supra-national actors and institutions (p. 107).

Economic efficiency remains the priority in the business ecology model; however it coexists with an accommodation of society's ever evolving demands (Steiner & Steiner, 1994, p. 10). Changing environmental forces have the most influence on an organization; "the forces operate differently and with varying impact, depending upon a wide range of factors such as the subject or issue under review, the power of competing groups, intensity of public feelings, and effectiveness of government and business leadership" (Steiner & Steiner, 1994, p. 11). As Sagebien et al. (2008) put it "each organism and each specific interaction (or lack thereof) between them shapes not only the organisms primarily involved in the interaction but the entire system itself" (p. 118).

The stakeholder model explains plurality in society[8] and the complexity[9] associated with organizations selectively (and appropriately) responding to diverse demands of stakeholders who can impact their viability; as Rowley (1997) pointed out, " management choice is a function of stakeholder influences" (p. 889). Frooman (1999) highlighted the conflict involved stating that "stakeholder theory is about managing potential conflict stemming from divergent interests" (p. 193). Though Sternberg (1997) rejected stakeholder theory as being contradictory[10], it offers a practical approach for managing stakeholder issues, as individual organizations would never have adequate resources to respond to every issue. Therefore both the business ecology model and stakeholder

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[8] Steiner & Steiner (1994) defined "[a] pluralistic society … as one that has many autonomous groups through which power is diffused. No one group has overwhelming power over all others, and each may have direct or indirect impact on others" (p. 59).
[9] The degree of complexity increases with the size of the organization, as larger entities/operations are more evident and attract more constituents (Steiner & Steiner, 1994, p. 12).
[10] Sternberg (1997) pointed out that although a principle of stakeholder theory is that organizations should be accountable to all their stakeholders (p. 4), in actuality stakeholder issues are ranked and selected according to appropriateness as they relate to the organization's substantive goal (p. 5). Accordingly she stated that "[t]he only way that stakeholder theory can be made workable, is to employ the very substantive objectives that it explicitly rejects" (p. 5).

theories suggest that the interests of the most powerful would dominate over weaker interests as the powerful have more resources to wield most influence in society.

2.3.1. Power Imbalance in Society

The unequal distribution of power[11] among competing groups therefore becomes an issue in the developmental path of any society. "Wealth, knowledge … social status, influence over public opinion, and legitimacy" (Steiner & Steiner, 1994, p. 47) are sources of power that allow the holders to manipulate behaviour and influence outcome. Typically, large corporations by virtue of their control over resources –property, technology, financing etc., – are able to influence social activities, institutions, and internal and external stakeholders (Steiner & Steiner, 1994, p. 48). However, despite being able to swing the balance, their position is not immutable; they do face challenges (Levy, 1997, p. 126) from the state (through its regulation - monitoring and enforcing), competitors, the public, and NGOs. A case in point is Shell, Nigeria; despite its vast resources and the backing of the Nigerian government, the company faced immense challenges from disgruntled local groups and foreign environmentalists who took issue with the company's plan to dispose of its Brent Spar oil platform in the sea. The company's reputation came under attack through sustained and organized stakeholder pressure forcing it to acquiesce to demands (Livesay, 2001). According to Rowley (1997), network structure enables such challenges, as "the stakeholder network is a source of power for both stakeholders and the focal firm" (p. 900); power is determined by

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[11] "*Power* may be defined as the ability of an individual, group, or organization to manipulate the behavior of other individuals, groups, or organizations in intended directions" (Steiner & Steiner, 1994, p. 47).

stakeholder "density" and "centrality" within the network (Rowley, 1997, p. 897) and thereby strengthens the ability (or power) of stakeholders to bring collective action against or "constrain the focal firm" (Rowley, 1997, p. 900). In contrast, "[i]n sparsely connected networks some sections of the network may become isolated, or segregated cliques develop, restricting communication between groups of actors" (Rowley, 1997, p. 897) thereby posing less threat to the organization. "Centrality refers to power obtained through the network's structure" (Rowley, 1997, p. 898). "The focal firm's centrality influences its ability to resist stakeholder constraints (and influence stakeholder expectations)" (Rowley, 1997, p. 900). Centrality in this paper will refer to an organization's power gained from its ability to influence and control others.

Essentially, the symbiosis between business and society shapes what occurs in both the physical and sociopolitical environments. From a systems perspective, alignment between corporations' pursuits and civil society's visions and goals would be ideal for achieving environmental and social sustainability. However, what often obtains is disequilibrium –given the profit oriented nature of business, the 'individual' welfare focus of civil society, and the national development and power retention objectives of government– resulting in contention over the use of resources. While the broad developmental goals are similar (Gentry, 1999, p. 10), individual ways to achieve them differ. As Few (2002) found in his study on 'actor power', stakeholders involved in negotiations over use of resources had different priorities. For example, local stakeholders were interested in "maintenance and improvement of [their multifocal] livelihoods" (p. 31). Landowners/real estate developers were interested in land

development, fishermen were interested in maintaining access to a fishing site, and the state was focused on biodiversity conservation, donor requirements, and community welfare (Few, 2002, p. 35); in order to achieve those individual objectives "power tactics … such as alliance-formation, enrolment, persuasion, manipulation, compromise and exclusion … [were used] to improve the negotiating position" (Few, 2002, p. 33). Organizations use the same power-tactics to enable and protect their interests in host societies.   Where there is no conflict over use of resources because expectations that the utility will serve the overall good there nevertheless may be concerns of trust (which will be discussed later in the paper) regarding whether resources are being used responsibly especially when a foreign MNE is involved –given the track record of some and the growth of environmentalism. In keeping with its raison d'être, a profit making organization will vie to place the interests of its shareholders above host country expectations (or other stakeholders) to maintain viability. The already mentioned example of UC Rusal's cessation of most of its operations in Jamaica initially due to falling aluminium prices on the world market –at the expense of local unemployment and a widening trade deficit– and the company's subsequent demand for environmental concessions to resume operations provides evidence of this. Basing an agreement to reopen on being given the freedom to despoil the environment illustrates manipulative power tactics by Rusal given its cognizance of Jamaica's vulnerability due to its desperate fiscal position. According to Swift (2001) "mutual vulnerability is supposed to negate asymmetries of power. Theoretically, each party invests sufficient resources in the relationship so that mutual benefit accrues and if one party reneges it harms both

itself and the other party" (p. 20). Highly indebted host countries are ultimately

vulnerable to multibillion dollar MNEs.[12]

Proposition 1*: Symbiotic relationships between the organization and its host society will*

encourage collaboration on matters of mutual interest and benefit. In contrast when

there isn't 'mutual vulnerability' powerful organizations may predominate and operate

unilaterally and expediently (despite stakeholder challenges) facilitated by the strategic

use of CSR as a mechanism of risk and legitimacy management.

2.4.   Deconstructing legitimacy

> *Although the system colonizes the lifeworld, the system needs*
>
> *legitimization from the lifeworld for its continued existence.*[13]

Ashforth & Gibbs (1990) defined legitimacy as "a social judgement that is

ultimately accorded to the organization by its constituents" (p. 177). According to

Emtairah & Mont (2008) "there is [a] collective set of societal expectations on

organizations beyond what is legally prescribed" (p. 135) to which they respond

with the aim of gaining society's acceptance and corresponding social licence to

operate[14]. As part of the societal ecosystem, organizations "… need to fit within

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[12] To date August 2012 Jamaica and UC Rusal have not reached an agreement, the Kirkvine Works plant
remains closed since 2010.
[13] Quote from Fergus & Rowney, 2005, p. 24
[14]The social licence to operate is based on maintaining a social contract which is "expressed or implied,
whereby [the business'] survival and growth are both based on:
    1.   The delivery of some socially desirable ends to society in general, and

… [society's] framework" (Emtairah & Mont, 2008, p. 136); organizations that conform earn the privilege of access to local resources (Ibid). In this sense conformity is synonymous to organizational legitimation which is defined as "the process whereby an organization justifies to a peer or subordinate system its right to exist." (Dowling & Pfeffer, 1975, p.123).   Ashforth & Gibbs (1990) concluded that "the means and ends [of production should] appear to conform with social norms, values and expectations" (p. 177). Drawing on the work of Perrow (1970) and others, Suchman defined legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574).

2.4.1. Legitimacy in Relation to Sustainability

The many definitions of legitimacy highlight various factors of the concept such as: contradictions; its use as both a strategic resource and a constraining feature of business; and its inherent reliance on perception. I elaborate on these below.

2.4.1.1.   A problematic and contradictory concept

Deegan (2002) pointed out that legitimacy theory refers to society 'as a whole' (meeting society's expectations) without acknowledging complications presented by power imbalances among groups in society (p. 295). Ashforth & Gibbs (1990) explained further

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2.   The distribution if economic, social, or political benefits to groups from which it derives its power" (Shocker & Sethi as cited in Deegan, 2002, p. 295).

that the dynamic nature of the environment also results in inter and intra group

contradictions and conflicting expectations (p. 177).

2.4.1.2.   A constraint on organizational behaviour

In securing legitimacy, organizations seek to uphold the social contract by operating (or

appearing to operate) in accordance with the agreement. In this regard, organizational

behaviour is constrained by an effort to remain compliant with constantly changing

expectations. Dowling & Pfeffer (1975) pointed out that "[l]egitimacy … is a dynamic

constraint which changes as organizations adapt, and as the social values which define

legitimacy change and are changed" (p. 126). To reduce risks of not meeting

expectations and those associated with non-compliance organizations conform to industry

standards through imitative or isomorphic behaviour[15] and engage in other voluntary

initiatives that attract society's approval (Bansall & Clelland, 2004, p. 94; Emtairah &

Mont, 2008, p. 136). This suggests that in contexts where there is a high level of

ecological and social awareness, and economic independence, legitimacy concerns can be

beneficial to the national sustainable development agenda as organizations will seek to

comply with or exceed stakeholder expectations. However in contexts where there are

low levels of awareness, lower expectations and/or economic dependence there may be

less threat to the organization's legitimacy and consequently, less constraint on

expediency (see Korten, 1995). Other writers like Elkington (1997) suggested however,

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[15] Institutional theorists such as DiMaggio & Powell (1983), Meyer & Rowan (1977), and Tolbert &
Zucker (1983) suggest " that companies can become 'isomorphic,' to other companies in an industry by
seeking similar structures, strategies, and processes" (p. 3). Also see (Ashforth & Gibbs 1990, p. 178) and
(Ramus & Monteil, 2005, p. 384).

that regardless of the level of community awareness, organizations proactively behave responsibly to gain competitive advantage and to reduce operating risk.

2.4.1.3.   Largely reactive and socially constructed

Organizational legitimacy is a dependent variable which is influenced by stakeholders' perceptions of an organization's behavior hence making it inherently reactive. For example corporate social disclosures which are mechanisms of legitimation "may … be conceived as reacting to the environment where they are employed to legitimize corporate actions" (Guthrie & Parker, 1989, p. 344). Suchman (1995) described "[l]egitimacy … [as] a *perception* or assumption in that it represents a reaction of observers to the organization as they see it; thus, legitimacy is possessed objectively, yet created subjectively" (p. 574). Organizational behaviour is therefore subject to interpretation which is a function of biases, values, and priorities. As a result, legitimacy transcends an organization's actual behaviour as it is how the organization is perceived and as already mentioned, the constituents' level of awareness that determine the organization's reputation. As Suchman (1995) put it, "[a]n organization may diverge dramatically from societal norms yet retain legitimacy because the divergence goes unnoticed" (p. 574) because it is not a social priority in the particular context.

Suchman goes on to show that "[l]egitimacy is *socially constructed* … [and] is dependent on a collective audience, yet independent of particular observers. An organization may deviate from individuals' values yet retain legitimacy because the deviation draws no

public disapproval" (p. 574). In as much as individuals and groups not seen as primary stakeholders challenge the organization, if support of the challenge does not reach critical mass their efforts are ineffective.

The cultural aspect of the social construction of legitimacy is highlighted by Barkemeyer (2007) who stated that:

> By definition, organizational legitimacy is not a universal concept. Rather, the judgment whether an organization and its actions are perceived as legitimate is socially-constructed – and therefore subject to change depending on the social environment the organization is based in (p. 9).

Therefore, given the differences in societal norms, values, and expectations, what may be considered acceptable or legitimate in one country could cause a public relations nightmare in another. This feature of legitimacy gives credence to the 'pollution haven' theory or its diluted form, "a pattern of agglomeration of pollution" (Zarsky, 1999, p. 3).

2.4.1.4.   A Resource

Organizations that are considered legitimate have the support of constituents (in particular, their primary stakeholders) and therefore enjoy access to operating resources (Ashforth & Gibbs, 1990, p. 177) that institutions not considered legitimate are likely to have difficulty accessing. In addition, Dowling & Pfeffer (1975) suggested that

legitimacy also has competitive value (p. 125), further increasing business opportunity. Deegan (2002) made the point that legitimacy is manipulable, as managers are able to increase the resource[16] when they consider it necessary (p. 293).

Being an intangible resource, legitimacy facilitates symbolic behaviour. Many examples suggest that symbolism is a loophole in the responsible behaviour constraint; enabling corporations to appear responsible without actually being so.

2.4.2. Managing Legitimacy

Like other resources, legitimacy is managed; in this case with an aim to closing legitimacy gaps. Dowling and Pfeffer (1975) outlined three ways in which an organization can achieve this:

> First, the organization can adapt its output, goals, and methods of operation to conform to prevailing definitions of legitimacy. Second, the organization can attempt through communication, to alter the definition of social legitimacy so that it conforms to the organization's present practices, output, values. Finally, the organization can attempt, again through communication, to become identified with symbols, values, or institutions which have a strong base of social legitimacy (p. 127).

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[16] Increasing the resource may be a risk aversion strategy, a competitive strategy or due to ethics or altruism.

These methods will be expanded on later in the paper in the section 'corporate social responsibility as a legitimating tool'. It is interesting to note here that messages are designed to produce specific reactions and therefore can mislead an undiscerning audience.

2.4.2.1.   Substantive and Symbolic Responses

Corporations can manage their legitimacy by engaging in either substantive or symbolic actions (Ashforth & Gibbs, 1990, p. 178; Walker & Wan, 2011). Ashforth & Gibbs (1990) stated that substantive legitimacy management "involves real, material change in organizational goals, structures, and processes or socially institutionalized practices" (p. 178). Walker & Wan (2011) suggested that this material change is "the extent to which a firm provides concrete actions, or steps they have taken to care for the natural environment" (p. 7).

On the other hand, Ashforth & Gibbs (1990) described symbolic legitimacy management as the portrayal of change without actual change (p. 180). Symbolic responses give the 'appearance' of a substantive response –which sometimes amounts to empty gestures. Richardson & Dowling (1986) also made the point that symbolic legitimacy management involves "'processes by which power relations are mystified through the manipulation of symbols' and 'the collective making of meaning'" (p. 91). Walker & Wan (2011) suggested that this too can be deciphered by "the extent to which a firm discusses their commitment to the natural environment and their future plans" (p. 8). (For the purposes of this study I broaden these definitions to include the social aspect of the environment).

Table 2 contains examples of substantive and symbolic legitimacy management outlined

by Ashforth & Gibbs (1990).

Table 2

Substantive Legitimacy Management

Role performance	The organization may simply meet the performance expectations of those societal actors upon which it depends for critical resources
Coercive Isomorphism	The organization conforms to the values, norms, and expectations of constituents
Altering resource dependencies	The organization may attempt to alter the mix of – and degree of resource dependence upon – its constituents, and consequently the expectations to which it must respond
Altering socially institutionalized practices	The organization may attempt to bring socially institutionalized practices, laws, traditions and so on, into conformity with its ends or means

Reference: Ashford & Gibbs, 1990, p. 178

Symbolic responses are not directed at passive audiences; some look beyond symbols and

recognize the manipulations of corporations when this occurs (Greer & Bruno, 1996). In

Driscoll's (2006) study of "how organizations in the … [Canadian forest] sector appear to

use language to change definitions of social legitimacy to enhance their environmental

record" (p. 2) she analyzed legitimating mechanisms to determine whether they were

procedural or symbolic and confirmed "the mystifying nature of 'green' legitimation and

the superficial and mystifying nature of some of the discourse ….being used in … [the]

sector" (p. 15). This study will apply a similar approach examining legitimating

communication in the media from the hotel resort sector. The analysis will determine

whether the mechanisms are symbolic or substantive in terms of sustainable

development.

Table 3

Symbolic Legitimacy Management

Espousing socially acceptable goals	The organization may espouse socially acceptable goals while actually pursuing less acceptable ones
Denial and concealment	The organization might suppress information regarding activities or outcomes likely to undermine legitimacy
Redefining means and ends	The organization may also attempt to *recast* the meaning of its ends or means Legitimation is retrospective therefore management might frame an issue in terms of other values that are seen as legitimate
Offering accounts	Accounts are explanations designed to remove one from a situation that may reflect unfavourably on one's image or claims of legitimacy. Accounts include 'excuses' and justifications
Offering apologies	Apologies involve an acknowledgement of at least partial responsibility for a negative event and include some expression of remorse
Ceremonial conformity	The organization might adopt certain highly visible and salient practices that are consistent with social expectations while leaving the essential machinery of the organization intact

Reference: Ashford & Gibbs, 1990, p. 180

Proposition 2*: The corporate values exhibited and portrayed in the media will not always*

represent the environmental preservation and social development record of some MNEs.

2.5.   Corporate Social Responsibility

The literature presents many views from a definitional perspective of CSR[17]; it is a concept considered to be all encompassing (Castelló & Lozano, 2011, p. 12). Frankental (2001) described it as a "vague and intangible term which can mean anything to anybody." (p. 20). Blowfield & Frynas (2005) highlighted the problem of inconsistencies in "what companies should be responsible for and how" (p. 500)[18]. According to White (2004) "stories of illegalities and ethical failures" are now considered (by some) as part of the CSR landscape, which is a significant stretch from its original focus of 'beyond compliance voluntarism' (p. 19). However, Carroll's (1991) oft cited pyramid model of corporate social responsibility included ethical, legal, and economic responsibilities in addition to corporate voluntarism and philanthropy. Whellams (2007) posited that the concept's evolving nature is the reason for its definitional inconsistency (p. 27).

Frankental's (2001) description of CSR is apt for the purposes of this paper. In his view:

> [C]SR is about a company's long-term footprint on society. It is about the extent to which a company is prepared to examine and improve its impact on all those affected by its activities and to view its long-term reputation within the context of the social and ecological sustainability of its operations (p. 23).

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[17] See: Lyon & Maxwell, 2008, p. 241; Spector, 2008, p. 314; Portney, 2005, p. 261; Blowfield & Frynas, 2005, p. 501, Blowfield, 2004, p. 61).
[18] See Carroll (1979) for an outline of "areas in which business is viewed as having a responsibility" (p. 499).

CSR has been described as being "the main source of corporate legitimacy" (Castelló & Lozano, 2011, p. 11); there is however no agreement on why it has grown in popularity (Blowfield & Frynas, 2005, p. 500). Nevertheless, reasons suggested have to do with tapping "all available sources of aid, most notably corporations" in response to the overwhelming need (Margolis & Walsh, 2003, p. 270), an "emergence of an environmental conscience in industrial countries" (Emtairah & Mont, 2008, p. 138) and "widespread public sentiment against the corporate world's real and alleged abuses" (Bohdanowicz & Zientara, 2008, p. 271). According to Klein & Harford (2004), corporations targeted and pressured to voluntarily alter their behaviour beyond legal requirements[19] "sometimes … do [acquiesce] because they would rather incur costs of behaving 'better' today than the costs of being 'ashamed' later" (p. 1). In addition to this reason of the business case[20], "managerial altruism" (Lyon & Maxwell, 2009, para. 1) and "preconscious acceptance of institutionalized values or practices" (Oliver, 1991, p. 148) [21] have been mentioned as reasons for corporate engagement in voluntary initiatives. While acknowledging other factors, my focus will be on the business case in the form of CSR as a legitimation strategy and the implications of this for sustainable development.

Sagebien & Whellams (2006) summarized the debate on CSR's potential contributions and limitations to sustainable development based on four perspectives (i) CSR as good capitalism (ii) CSR as bad capitalism (iii) CSR as good development and (iv) CSR as bad

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[19] Despite the root cause of such inefficiencies (irresponsible social and environmental behaviour and inequality) being inadequate domestic regulation (Klein & Harford, 2004, p. 1).
[20] Reputation and risk management, and gaining competitive advantage are the key reasons of the business case in focus in this paper.
[21] Oliver, 1991 suggested that choice is a nonissue in instances where 'taken-for-grantedness' exists as it may be inconceivable to ignore societal, institutional and professional norms and attempt to conduct business otherwise (p. 148).

development (as cited in Sagebien et al., 2008, p. 105). Sagebien et al. (2008) provided the following outline:

> Arguments for CSR were based on claims that CSR made either 'good capitalism' (by acting as a form of reputation and risk management, providing a competitive advantage, etc.) or 'good development' (building on capacity of the private sector, decreasing the burden of regulatory enforcement). Arguments against CSR were likewise based on claims that it made 'bad capitalism' (by undermining market economy, interfering with government responsibilities) or 'bad development' (by ignoring the structural dimensions of the business-poverty relationship, remaining entrenched within the current capitalist framework). (p. 105)

In the same vein as Sagebien & Whellams' point that business and development have a conflicting agenda, Henderson (2007) pointed out that though there is similarity between the principles of CSR and sustainable development there is a clear distinction in priority. Sustainable development emphasizes preservation, equitable distribution of resource use and benefits, and participation as it relates to decisions in the development process whereas CSR as a feature of industry gives priority to the economic dimension (p. 231). Nevertheless, while not the primary motivation for corporations, it is quite evident that sustainable development is often an important feature of their CSR rhetoric.

Table 4

Summary of CSR in Development – Claims and Critiques

Arguments for CSR	Arguments against CSR
CSR is good capitalism Acts as a form of reputation and risk management Attracts socially responsible investors and consumers Gives companies a competitive advantage Keeps employees happy	**CSR is bad capitalism** CSR compromises shareholder earnings Corporate executives are not qualified to make decisions re: environment/society CSR interferes with government responsibilities CSR undermines the market economy
CSR is good development Maximizes spill-over effects of FDI Decreases financial burden of regulatory enforcement Can introduce higher levels of performance than those required by local law In some cases, corporations have greater capacity than governments	**CSR is bad development** CSR ignores the structural dimensions to the business-poverty relationship CSR calls for change, but only within the current capitalist framework Business and development have conflicting agendas The business case for CSR ignores key development issues Corporations lack development expertise Mainstream CSR agenda is Northern-driven

Source: Sagebien, J. & Whellams, M. (2006). CSR & development: broken promises or undue expectations beyond CSR? Business, Poverty and Social Justice Conference, May 22, 2006, London, UK, (p. 4).

According to Frankental (2001) CSR is sheer public relations when one considers its contradictions with the system in which it operates (p. 18). He (i) highlighted the contradiction in the perception that companies are indiscriminating in their allegiance to society as a whole, when in actuality, legally their fiduciary responsibility is solely to shareholders; (ii) questioned the reality of a term that has no set definition and as a consequence no way of being assessed; (iii) suggested that CSR's ability to being truly effective is stymied by the stance of infallibility taken by companies when in fact recognition of imperfection is an underlying requirement to inform choice of substantive CSR mechanisms; and (iv) saw the level of importance placed on CSR –being directed

and managed by corporate affairs or public relations departments– as being inconsistent with the need for it to permeate the entire organization (p. 19).

On the other hand, Bohdanowicz & Zientara (2008) had a different perspective; they posited "that, even though the actual effectiveness of some CSR projects might indeed be questioned, the idea itself – if holistically and genuinely embraced – contributed to producing 'win-win' outcomes and, at the end of the day, serves an organization's self-interest" (p. 276). Lyon & Maxwell (2009) also saw CSR as a win-win, according to them it is "a gift to society – … [given that the entrepreneur] benefits from starting the firm, investors benefit from the expanded range of investment opportunities,[22] and the recipients of CSR benefit directly" (para. 5). They specified 'corporate voluntarism' as the more efficient alternative to the 'political system' (government regulation) for achieving higher environmental standards as in their view regulatory agencies easily collude with the companies they are commissioned to regulate. Consequently, they conclude that "the welfare effects of strategic CSR depend on the political context in which it occurs" (para. 6).

Before discussing CSR as a strategy for organizational legitimacy, the theme of this paper requires that the distinction between CSR in industrialized countries and CSR in developing countries is elaborated on. The distinction is based on the premise that

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[22] For example, business opportunities generated from a corporation's investment in the social sector. According to Kanter (1999) "[companies] have learned that applying their energies to solving the chronic problems of the social sector powerfully stimulates their own business development. Today's better – educated children are tomorrow's knowledge workers. Lower unemployment in the inner city means higher consumption in the inner city. Indeed a new paradigm for innovation is emerging: a partnership between private enterprise and public interest that produces profitable and sustainable change for both sides" (p. 124).

although CSR is Northern-driven, it has existed in many parts of the world in various

forms "… [shaped by] unique histories, cultures, and institutional contexts" (Steiner &

Steiner 1994, p. 125). The globalization of business has however brought different

perceptions of CSR into the same space leading to debate on the appropriateness and

relevance of foreign CSR constructs in local contexts. Visser's (2008) definition

mentions this aspect of CSR. He defined it as:

> The formal and informal ways in which business makes a contribution to
>
> improving governance, social ethical, labour and environmental conditions of the
>
> developing countries in which they operate while remaining sensitive to
>
> prevailing religious, historical and cultural contexts (p. 474)

In addition to cultural characteristics, a country's stage of development, contributes to its

uniqueness, and influences society's priorities. Visser's (2008) adaptation of Carroll's

pyramid illustrates this (p. 489). From a developed country perspective, economic

responsibility is first priority followed by legal responsibility then ethical responsibility

and last discretionary or philanthropic responsibility. In contrast, according to Visser

(2008), from a developing country perspective, although economic responsibility is also

the first priority, philanthropic responsibility precedes legal and ethical responsibility

respectively (Ibid). Klein & Harford (2004) pointed out that "[e]conomic interests and

ethical values vary greatly, so it is hardly surprising that global standards for corporate

responsibility are controversial" (p. 3). The writers therefore suggest that the location of

a company does not alter its primary focus of financial viability[23]; however, the culture and stage of development of the host country influences its next priority. Barkemeyer (2007) suggested that this difference in perspective necessitates local involvement in the design of MNCs' CSR programmes (p. 13). He also pointed to "highly visible short term*"* CSR projects being chosen –for PR benefits in foreign markets[24]— rather than longer term projects (Barkemeyer, 2007, p. 13) that may not provide immediate PR. Therefore capacity building projects which generally occur over the long-term may be shelved in favour of shorter term projects.

2.5.1. CSR as a Legitimating Tool

As already mentioned, Dowling & Pfeffer (1975) indicated that an organization can become legitimate through conformity and communication (p. 127). The intent and focus of an organization can be determined by analyzing what (and how) values are communicated. The type of rhetoric used in communications and the themes of these releases provide this insight. Drawing on the views of various writers on rhetoric Heracleous (2004) suggested that among other uses rhetoric can be used for reputation management, as a change agent, and to perpetuate hegemonic principles (p. 183). Corporate responsibility rhetoric with a premise of sustainable development is ubiquitous and presents an interesting scenario in light of the views already discussed. The following section will discuss Dowling & Pfeffer's (1975) three legitimating

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[23] Financial viability may be via various means, for example, private grants and government funding. Private enterprise trading in goods and services, and more specifically for publicly traded companies, increasing profit is the goal for financial viability.
[24] The primary stakeholders (the clients and customers) of MNEs are often located outside of the host country for example the tourism and bauxite industries in Jamaica.

options in terms of CSR. The classification of mechanisms[25]under this framework is guided by Driscoll's (2006) table – "organizational legitimation in the forest sector" (p. 9). After which the types of corporate responsibility rhetoric will be outlined.

2.5.1.1.   Attempting to Change Society's Values by Communicating CSR

In order to secure legitimacy, corporations communicate their values to society through various media. As Deegan (2002) mentioned, an organization's legitimation strategies "rely on the use of external disclosure" (p. 296). Sustainability reporting, public relations and advertising (brochures, media reports, websites, cause-marketing), stakeholder consultations, and philanthropic contributions are some of the methods used to communicate these values.

The purpose of sustainability reports is to convey an organization's commitment to society. They are a manifestation of an increase in attention to social and environmental issues (Deegan, 2002, p. 283) and a recognition and acceptance of some responsibility for aspects of the social and ecological environment. These publications are a medium through which organizations seek to align the values of society with their own by influencing the reader in the organization's interest.

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[25] Except for the 'philanthropy' mechanism.

Another opportunity to change society's values is through cause marketing which has been referred to as "a new direction in the marketing of corporate responsibility" (Smith & Alcorn, 1991). By sharing its responsibility to society with consumers the organization is able "to increase the level of the consumer commitment" (Smith & Alcorn, 1991, p. 31) to the organization, its social capital, and ultimately encourage public cooperation and confidence. These partnership networks provide a medium through which "the organization can attempt, through communication, to alter the definition of social legitimacy so that it conforms to the organization's present practices, output, and values" (Dowling & Pfeffer, 1975, p. 127).

Similarly philanthropy can be viewed as a legitimation strategy (Kamens, 1985, p. 31; Chen et al., 2008, p. 141); it also provides the corporation with opportunities to build image and influence in society (Kamens, 1985, p. 31). Chen et al. (2008) found that "on average, charitable contributions appear to be used by corporations as a tool of legitimization" (p. 141)

2.5.1.2.   CSR as a Method of Adapting

Corporate Social and Environmental Reporting

A motivation of corporate reporting is said to be the business case (Deegan, 2002, p. 290; Owen & Swift, 2001, p. 7). Guthrie & Parker (1989) attributed it to (honouring) the social contract which is subject to society's continued assessment of a corporation's

operations (p. 344). Watson & MacKay (2003) pointed out that "an important element in disclosure is a corporation's desire to maintain its freedom, status and reputation with influential publics" (p. 627). It can therefore be said that disclosure is central to the legitimation process as it not only informs stakeholders of how corporations are meeting –or adapting to their expectations but also gives companies some degree of control over how they are perceived (de Villiers & Staden, 2006, p. 764).

Arguably, reporting has been instrumental in raising performance standards and enhancing sustainable development, as, in addition to reputation management, corporate reporting inculcates a culture of accountability which can constrain expediency given the threat of a negative public assessment.

Benchmarks and frameworks have been established for reporting on the monitoring and evaluation of corporate social and environmental performance (GRI, n.d.a, para. 3; Deegan, 2002, p. 289) bringing "more coherence and credibility to the process of reporting" (Emtairah & Mont, 2008, p. 140).

The purely voluntary nature of social and environmental reporting means that companies have the freedom to disclose what, when and how they wish. A lack of balance in the

reporting process prevents a true assessment of an organization's 'sustainability performance'[26] from published information alone (GRI, n.d.b., para. 1).

As far as Laufer (2001) is concerned, "unsubstantiated and unverified social and environmental disclosures often amount to little more than public relations issued to manage public perception, to respond to public pressure, or to react to perceived public opinion" (p. 255). Deegan (2002) pointed out that this could hinder social progress (p. 298) as wolves (i.e. offending companies) are free to cloak themselves in sheep's clothing and continue injurious practices to the detriment of society.

Swift (2001) suggested that trust is arrived at either through a 'contractual agreement' or when both parties have 'mutual vulnerability' (Swift, 2001, p. 20). It has already been established that social and environmental accountability are voluntary (i.e. not contractual) and, given the power dynamics in society the theory of mutual vulnerability is unlikely to hold as society and corporations have unequal power[27] –revealing a fundamental flaw in the concept of social and environmental accountability.

It is well documented that an important feature of sustainable development is recognition of the value of local knowledge and its incorporation in a country's development strategies – a 'bottom-up' instead of a 'top-down' approach. In their efforts to be seen as good corporate citizens companies have increasingly been engaging stakeholders, a

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[26] "All organizations interact with and have an impact on the community in which they are based. These interactions, as well as organizations' approach to dealing with communities, are an important component of sustainability performance" (GRI, n.d.b, para.1).

[27] An example is the power that corporations have to move their operations to more accommodating locations/environments, or the power to rationalize operations, leaving people in society unemployed.

practice which Swift (2001) questioned as in her view the "asymmetries of power preclude dialogue" (p. 23). She emphasized this with a quote from Baum 1977 who stated that, "[t]o recommend dialogue in a situation of inequality of power is a deceptive ideology of the powerful who wish to persuade the powerless that harmony and mutual understanding are possible in society without any change in the status quo of power" (as cited in Swift, 2001, p. 23). Owen & Swift (2001) also cast doubt as to whether true accountability occurs in the current paradigm given that the right to information had not been extended to stakeholders (p. 7). As far as Swift (2001) was concerned, this adoption of a participatory approach amounted to companies "trying to solicit stakeholder views through social and ethical accounting, auditing and reporting, and then self-reporting on their trustworthiness as a means of reputation building" (Ibid.).

Proposition 3: CSR reporting in the media will selectively focus on general social issues rather than on existing externalities which could be damaging to the corporate image. An MNE will legitimate its operations despite behaving irresponsibly, by focusing on the preoccupations (or priorities) of the host society.

2.5.1.3. Displaying CSR by Identifying with Legitimating Organizations

One way corporations communicate their corporate values is by associating with organizations that advocate values which amplify their image, mitigate risk and increase competitiveness; organizations such as the International Organization for Standardization

with its ISO standards, and the European Crop Protection Association with its Cristal Standard for example.

Organizations such as the World WildLife Fund (WWF), Greenpeace, Christian Aid, Green Globe, and the Foundation for Environmental Education (FEE) with its Blue Flag label advocate and/or set benchmarks for environmental and social sustainability. For example, the Green Globe and the Blue Flag are well known labels in the travel and tourism industry. Green Globe is a sustainability brand that offers 'benchmarking & certification'. It is endorsed by organizations like the World Tourism Organization, World Travel & Tourism Council and Tourism Sustainability Council among others. "[It] represents possibly the most global cross-sectoral approach to industry self-regulation thus far attempted (Griffin & DeLacey, 2002, p. 77). Voluntarily attaining Green Globe membership and subsequent certification signifies that members are compliant and have attained various levels of sustainability management and operations. Membership to the organization is awarded upon registration and payment of fees while certification is attained upon meeting more than 51% of Green Globe's criteria. According to Kalland (1993), symbols of environmental legitimacy can be bought, and thus detract from the more important issue of sustaining the "global environment" (p. 6). He stated that:

> [Organizations like the WWF] have produced a symbol which individuals and corporations can afford to buy. The totem is for sale and one can buy … green legitimacy, by joining the flock of 'converts'.

Many people are in need of a green alibi. Some buy totem emblems to stick on

their jackets or windscreens to display their green state of mind. Others buy the

logo of environmental organizations in order to give their products a green image.

(Ibid)

As a legitimating tool CSR is therefore used strategically to align society's values with

the corporation's objectives. This is achieved primarily through external disclosure.

Corporate disclosure enables the organization to manage its reputation as it sees fit

through specific reporting and at times censorship.

2.5.2. A New Perspective on Legitimation through CSR

Castelló & Lozano (2011) argued that the entire debate on legitimacy which is currently

grounded on the strategic and institutional theories is inadequate as it is hinged on

assumptions made obsolete by the impact of globalization on societies. Before moving

on to discuss this, the next section describes pragmatic, cognitive and moral legitimacy.

Pragmatic legitimacy from an organizational view focuses on ways in which to attract

stakeholder support by highlighting its beneficial attributes pertinent to the organization's

primary audiences. From a stakeholder view the organization is legitimate if it provides

direct or indirect benefit (Castelló & Lozano, 2011, p. 12). While pragmatic legitimacy

can be induced by the organization, cognitive legitimacy is "subconsciously" ascribed by

stakeholders based on their social norms. They assume and "take-for-granted" that the organization adheres to the normative standards of other local good corporate citizens (Ibid). From the stakeholders' view the ascription of moral legitimacy is completely unselfish, it is ascribed based on the organization's contribution to the greater good, "whether the activity is 'the right thing to do'" (Castelló & Lozano, 2011, p. 13). Again the organization does have some level of control over ascription in this form of legitimacy; it however requires invested effort by the organization –usually in the form of "explicit public discussion"– to convince stakeholders of its ethical nature (Ibid).

Castelló & Lozano (2011) pointed out that heterogeneity and individualism are replacing uniformity and conformity (p. 13) and consequently undermine the fundamentals of the strategic and institutional theories. They stated that:

> The limitation of these theories [the strategic and the institutional theories] is that the strategic approach is overly focused on pragmatic legitimacy, assuming that corporations have the power to strategically influence their societal context and manipulate the process of legitimacy ascriptions. The institutional approach takes cognitive legitimacy as a reference, though it is defined in the outdated context of national governance systems with homogenous cultural backgrounds and shared norms and beliefs (p. 13).

Castelló & Lozano identified a gradual change in the CSR rhetoric as corporations

attempt to satisfy more fervent and diverse demands of their constituents. Corporate

communication now also espouses a dialectic rhetoric directed at gaining moral

legitimacy which requires corporations adopting a participatory approach; engaging their

audience and practising inclusivity (Castelló & Lozano, 2011, p. 20; Suchman, 1995, p.

585) as opposed to merely strategic rhetoric from a pragmatic legitimacy strategy or

institutional rhetoric from a cognitive legitimacy strategy (Castelló & Lozano, 2011, p.

22). Dialectic CSR rhetoric promotes the collaboration requirement for sustainable

development while strategic and institutional rhetoric by maintaining elements of the

current capitalist status quo[28] reinforce what Sagebien & Whellams (2006) referred to as

bad development (p. 4). Castelló & Lozano (2011) placed both types of rhetoric within

the posivistic conceptual framework (p. 17 & p. 20). The posivistic approach which they

accredited to Scherer & Palazzo (2007) describes:

> [A] CSR discourse that is fundamentally descriptive and instrumental. …. The
>
> posivistic approach does not attempt to justify norms but only provide a
>
> description and explanation of activities and norms without critically questioning
>
> said norms. (p. 17)

Despite the apparent positive approach dialectic rhetoric brings to the sustainable

development agenda, Swift's (2001) suggestion that the dialogue of the powerful will

predominate in situations where asymmetries of power exist (p. 23) cannot be ignored.

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[28] For example ignoring structural impediments and development issues.

Castelló & Lozano's (2011) approach to CSR rhetoric strategies is summarized in Table 5.

2.6 Greenwashing

Greenwashing is defined as "disinformation disseminated by an organization so as to present an environmentally responsible public image" (Ramus & Montiel, 2005, p. 377). This practice has fuelled skepticism about corporate claims of commitment to environmental and social sustainability. While "originally confined to describing misleading instances of environmental advertising" (Whellams & McDonald, 2007, p. 1042), greenwashing now refers to various other corporate sponsored communiqués and activities aimed at enhancing the corporation's image undeservingly. As Greer & Bruno (1996) put it, "[corporations have] embraced the environment as their cause and co-opted its terminology in advertisements and corporate policies….while little [has] changed in practice" (p. 14). Corporations have used this form of symbolic legitimacy as a strategy to divert attention away from unsustainable practices and also to thwart legislation. For example, in its ad campaign against impending regulation on phosphate use in France, Rhone-Poulenc relayed the message that phosphate–free detergents were more harmful to the environment than its phosphate based alternative. The campaign was successful CSR is described by some as simply greenwash; a promotional ploy with very little substance behind it. The Economist (2005) and Christian Aid (2004) both portrayed CSR as a mask used by companies to cover up their irresponsible behaviours. According to

Table 5

CSR Rhetoric Strategies

Characteristics	Strategic CSR	Institutional CSR	Dialectic CSR
Discursive elements	Legitimated by the economic logic of the firm	Legitimated through the value of the enthymeme[29]	Legitimated by appealing to an engaged dialog
Timescale orientation	Short – to mid – term	Long-term (sometimes used as temporal)	Long-term
Position in text	Supports the most important enthymemes	Used in the introduction and linkages	Marginal, additional
Rhetoric strategy	Provides the *logos*	Provides the *ethos*	Supports the *pathos*
CSR Foundation	Posivistic	Posivistic	Post-posivistic
Main concepts	Performance	Social contract/duty	Inclusion; dialogue
Management theories	CSP; strategic management; project management	Business ethics; stakeholder theory	Corporate citizenship/political view of the firm
Role of legitimacy	Pragmatic legitimacy	Cognitive legitimacy	Moral legitimacy
Message to stakeholders	*We are accountable; we manage well*	*We are "good" and responsible;* belong to the CSR community	*We want to engage you in the dialogue*

Reference: Castelló, I., & Lozano, J. M. 2011, p. 22

<u>**See also**</u> Appendix 4 for Themes of CSR Rhetoric

the Economist, "CSR is little more than a cosmetic treatment" (para. 12) while Christian

Aid stated "that it is actually used to mask … [*the devastating*] impact [*that*

multinationals can have]" (p. 2). Christian Aid has no faith in CSR's voluntary

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[29] "Enthymemes are rhetorical structures of argumentation, They are syllogisms whose premises are drawn from the audience. They are usually only partially expressed, their logic completed by the audience. Enthymemes are not universally rational or true but are so only within specific socio-cultural contexts depending on their conformity to the audience's beliefs and assumptions" (Castelló & Lozano, 2011, p. 15).

commitments and as a result lobbies for regulation to ensure the responsible behaviour of corporations.

Proposition 4*: A foreign enclave corporation that holds a dominant position in the host society and whose primary market is overseas will tend to use greenwashing and chiefly strategic rather than dialectic rhetoric in its discursive practices.*

Chapter Three – Description of Methods and Analysis

3.1.   Reflective Inquiry and Limitations

I began this research with a great deal of naivety as I had expected to easily obtain information about the corporate social initiatives of hotels given the potential benefits (of any such publicity) in terms of legitimacy management to these organizations. Instead my representatives and I were either shut out or provided with general marketing brochures. The inability to access such information led to a new approach which focused instead on stakeholder perspectives. I proceeded to contact seven groups/organizations. Of the seven, two replied, Northern Jamaica Conservation Authority (NJCA) and the National Environment & Planning Agency (NEPA). Some of the entities that did not respond were the Jamaica Hotel and Tourist Association (JHTA), the Fisheries Division in the Ministry of Agriculture & Fisheries, the All Island Craft Vendors Association, the Caribbean Coastal Area Management Foundation, and the Montego Bay Marine Park.

The difficulty getting information from hotels also resulted in a change in the unit of analysis from actual CSR initiatives (physical projects) to corporate responsibility themed media messages.

3.2. Methodological Approach

The case study method allows researchers latitude to incorporate context into their research. According to Miles & Huberman (1994), " a 'case' always occurs in a specified social and physical setting; we cannot study individual cases devoid of their context" (p. 27)   In the same vein Yin (2009) defined a case study as "an empirical inquiry that investigates a contemporary phenomenon in-depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (p. 18). I have chosen to use this method because (i) the study is about "contemporary events" (Yin, 2009, p 11); (ii) the analysis will rely heavily on interpretation which requires in-depth knowledge and appreciation of the context of the subject of analysis (Cousin, 2005, p. 424), which will be textual material. Also (iii) the "context dependent" characteristic of the case study allows flexibility for the creation of new knowledge (see for example Castelló & Lozano, 2011) which not only enhances my learning experience but also adds to the body of knowledge on the subject (Flyvbjerg, 2006, p. 221).   As Cousin (2005) stated, "[c]ase study research aims to explore and depict a setting with a view to advancing understanding" (p. 441). Based on the varied developmental impact foreign investment has had it is safe to deduce that the 'context' in which it occurs is a determinant of its impact.

Traditionally the case study methodology had been deemed substandard by critics. They found it to be lacking in rigor and generalizability, time consuming, incapable of determining causal relationships (Yin, 2009, p. 14) and subjective (Flyvbjerg, 2006, p. 235). However following "systematic procedures" to increase robustness (Yin, 2009, p. 14), understanding that "analytic generalization" is the aim of doing case studies and not "statistical generalization" (Yin, 2009, p. 15), recognizing that the "strategic selection of cases" avails deeper understanding (Flyvbjerg, 2006, p. 229), and that "subjectivism … applies to all methods" (Flyvbjerg, 2006, p. 235; Cousin, 2005, p. 425) resolves the general misconceptions about the case study method.

3.3. Case Study Design

I chose to conduct a single case study of the Gran Bahía Príncipe Jamaica. Being both "atypical" and "typical" this case satisfies two of the rationales for a single case study (Yin, 2009, p. 48). It presents a typical example (which is evident across industries in Jamaica) of the externalities (environmental and social degradation) attributed to MNE construction and operations. I hasten to qualify this by adding that while this has been a recurring issue, not all foreign MNEs have been environmentally and socially irresponsible. In addition, this issue is not by any means confined to foreign companies, local companies are also culpable. However, foreign MNEs are focused on here because of the persistent campaign to attract them as a means to achieving development. The case is also atypical because the Bahía Príncipe hotel was the subject of a landmark court case

in Jamaica in which environmental NGOs and citizens challenged the government for permitting construction of the hotel in an ecologically sensitive area and won. In addition, because the case of the Bahia could be considered a "*revelatory*" case (Yin, 2009, p. 48) due to the general "inaccessi[bility]" of relevant information from MNCs for critical study or as Yin put it "social science inquiry" (Ibid). Before deciding on Bahia three multinational hotels (the Ritz Carlton; The Hilton Montego Bay; and the Palmyra] either denied requests for documents and/or refused permission to be the subject of my case study. However the documentation of the activism by environmental NGOs to save the Pear Tree Bottom location from commercial development, and subsequent developments instigated by their effort (for example the unprecedented court case against the GOJ for the granting of an environmental permit to HOJAPI) enabled accessibility to secondary data that normally would not be available. Yin (2009) stated that "the single-case design is eminently justifiable under certain conditions … [such as] where the case serves a revelatory … purpose" (p. 52). Additionally Yin (1989) posited that in-depth single cases are an academically legitimate research program.

The case will be used to consider the propositions presented in Chapter 2 concerning the implications of corporate legitimacy management for a foreign MNE's contribution to local sustainable development. The case will also serve to illustrate the theories of CSR in its dual role of enhancer of legitimacy and conduit for sustainability. My primary aim is to better understand how CSR's ability to provide a key component of business success - corporate legitimacy, can sabotage its potential to drive sustainable development.

Following Yin, the "external validity"[30] of this research was maintained by conducting a literature review which provided parameters for the 'generalizability' of the study's findings (Yin, 2009, p. 40).

3.4. Collection of Evidence

Data were collected over a period from March 2011 to May 2012. They were collected from a number of sources to maintain "construct validity"[31] (Yin, 2009, p. 41) and also as Cousin (2005) put it "in an attempt to capture multiple realities and meanings within the setting" (p. 424). Collection was primarily from secondary sources –documentation, archival records and the internet. Much of the information was from the National Planning & Protection Agency (NEPA), the NGO, NJCA and a documentary film entitled *Jamaica for Sale* from the NGO, JET. Brochures were obtained from the Bahía hotel property. The internet was another major source of information primarily from the hotel chain's Eco Bahia Ecological Foundation, its promotional material and also for newspaper articles. NEPA, local television and newspapers were the sources of archival records. I outline these below.

Data were collected from "multiple sources of evidence" – data triangulation (Yin, 2009, p. 116). I will elaborate on triangulation later. According to Yin "a major strength of case study data collection is the opportunity to use many different sources of evidence"

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[30] External validity entails "defining the domain to which a study's findings can be generalized" (Yin, 2009, p. 40).
[31] Obtaining "construct validity [requires] identifying correct operational measures for the concepts being studied (Ibid).

(p. 114). In using these data sources it is important to keep in mind that the documents were produced to satisfy the author's need and that of the study; therefore to increase the accuracy of analysis the researcher must pay attention to exigency (Yin, 2009, p. 105).

- Documents and Archival Records

Documentation and archival record were my primary sources of evidence . The NJCA provided me with minutes of their meetings concerning Pear Tree Bottom, and regarding HOJAPI/Bahia Principe's operations; reports; letters; and surveys. This included their report on the Public Meeting held April 28, 2005 at which time the EIA for the Bahia Principe Resort development was presented, and also a transcript of the proceedings of a community meeting hosted by them for the airing and discussion of North Coast environmental concerns held January 29, 2008.

The National Environmental Planning Agency provided archival information on Bahia's compliance history from July 25, 2006 – August 29, 2011, and the minutes of the public presentation of the May 2005 Addendum to the EIA for the hotel development. Both documents were key sources for my analysis.

The internet was another of my sources for documents such as some magazine and newspaper articles, information on the company's Eco Bahia Foundation (which were in Spanish), and information on the Spanish/Jamaican Foundation.

Magazines from the resort property and newspaper clippings were also sources.

Yin (2009) described the strengths of documentation as "stable", "unobtrusive", "exact", and as enabling "broad coverage"; weaknesses as difficult retrievability, "biased selectively", "reporting bias" and "access may be deliberately withheld" (p. 102). The strength of archival records is their "precise[ness], and weakness is "accessibility due to privacy reasons" (Ibid). Accessing archival records from NEPA was a very long process which began in July 2011 and ended May 25, 2012. A number of documents were formally requested at different times through the Access to Information Act and waiting periods were at times in excess of two months. My initial request for information on the Ritz Carlton was ignored while information received on the Palmyra did not contribute to my topic. Two subsequent applications for information on the Bahia Principe took four months (in total) to be processed.

- Participant Observation

Yin (2009) described this as "a special mode of observation in which you are not merely a passive observer instead, you may … actually participate in the events being studied" (p. 111). The "roles may range from having casual social interactions with" (Ibid) "someone inside … many have argued that such a perspective is invaluable in producing an 'accurate' portrayal of a case study phenomenon" (p. 112).

I had the opportunity to talk about Bahia with my friend and at times research assistant who works for the hotel. My "casual social interactions" with him provided me with

information about the informal settlement next to the industrial section of the property; the relationship between management and workers; the type of accommodation provided for staff ; and the company's level of attention to environmental and social concerns. According to Yin (2009) a strength of participant observation is that it is "insightful into interpersonal behavior and motives" and "covers [the] context of [the] case" (p. 102). On the other hand some of its weaknesses are that it is "time consuming" and is open to "bias due to [the] participant observer's manipulation of events" (p. 102).

- Documentary film and television news broadcasts were other valuable sources of case study evidence. The documentary film, Jamaica for Sale made by NGO, JET and environmental activist, Esther Figueroa primarily helped me to understand context; as already mentioned, "we cannot study individual cases devoid of their context" (Miles & Huberman, 1994, p. 27). News reports pertaining to Bahia were from local Jamaican television station, TVJ.

3.5. Analytical Methods

3.5.1. Pattern Matching & Discourse Analysis

Having decided to focus this research on textual analysis; it was my intention to apply critical discourse analysis (CDA). With this aim; following Miles & Huberman (1994) who indicated that "coding is analysis" (p. 56); the first task was reading through the data with the aim of identifying themes concerning corporate social responsibility and power

relations. Using "*descriptive* codes" which allow the researcher to classify "segment[s] of text" (p. 57) a pattern of greenwashing (which was mainly contradictions between corporate values promoted and compliance records) was evident but no other useful pattern that could solidly refute or support my argument emerged from this exercise. After pondering, I realized that though voluminous, the data did not provide the 'thick description' needed for a balanced interpretation; at that point in the study the Bahia perspective was being determined using primarily promotional material which pigeon holed the corporate perspective by focusing on one aspect (marketing scenario clearly geared to influence and attract customers). It also consisted of data from NGOs whose main agenda was to protect the Pear Tree Bottom site, and compliance data from a monitoring agency (NEPA); each with its clear and distinct agenda– it needed more depth; preferably some type of direct interaction between stakeholders and given my inability to access more perspectives (due to nonresponsiveness of stakeholders contacted); the best option to bring this balance was the minutes of public meetings concerning the hotel development.   Despite Yin's (2009) caution about bias –in that "documents must be carefully used and should not be accepted as literal recordings of events that have taken place …. [as] even the 'verbatim' transcripts of official … hearings have been deliberately edited" (p. 103)– I was confident that intertextuality would guide interpretation and therefore greatly diminish any tendency towards bias. Subsequently the minutes of two public meetings were sought from the National Environment Protection Agency (NEPA) –only one was received– but nevertheless contributed significantly to the 'richness' of the data. It was then decided that the broader

analytical approach of case analysis would prove even more useful for this case rather than solely CDA.

Pattern matching involves making comparisons between the actual and the perceived; a match between the two is said to authenticate the study (Yin, 2009, p. 136). This method was chosen to highlight the primary role of context in the outcome of FDI. In this instance I used it to show how the investment environment enables or constrains sustainable development in the host country. Pattern matching was applied to propositions 1, 2 & 3. Yin (2009) pointed out that "if the case study is an explanatory one, the patterns may be related to the dependent or the independent variables of the study (or both)" (p. 136). I therefore outlined independent and dependent variables (p. 136) for propositions 1-3.

Proposition	Independent variable	Dependent variable
When there isn't mutual vulnerability powerful organizations may successfully predominate and operate unilaterally and expediently despite stakeholder challenges facilitated by the strategic use of CSR as a mechanism of risk and legitimacy management.	• Poorly diversified economy; significant debt to GDP ratio • Dependency on external capital to finance social development • Enclave tourism model	• CSR with an agenda to achieve or secure legitimation • Soft governance and/or pandering government • Physical and structural barriers: reduced interaction and dependence on host society resources • Decreased sense of responsibility towards communities
The corporate values exhibited and portrayed in	• Unverified, corporate controlled information	• Contradictions • Superficial statements

the media will not always represent the environmental protection and preservation record of MNEs	published in media	amounting to symbolic legitimacy management at the expense of sustainable development
	• CSR infused statements/reports	• Rhetorical statements concerned with effect or style rather than content or meaning
CSR reporting in the media will selectively focus on general social issues rather than on existing externalities which could be damaging to the corporate image. An MNE will legitimate its operations despite behaving irresponsibly by focusing on the preoccupations (or priorities) of the host society.	• CSR initiatives focused on local priorities	• Organization secures legitimacy by communicating similar focus and commitment to the host society's values • Symbolic initiatives focus on short-term rather than long-term sustainability

Yin (2012) also pointed out that the researcher should "stipulate some pattern of expected findings at the outset of … [the] case study" (p. 16). Based on my literature review I used theoretical concepts to classify the expected pattern as indicated in the table above.

While pattern matching provides examples of the operationalization of theory and highlights inconsistencies to underscore blatant but overlooked issues; critical discourse analysis in addition to these aims, is focused on highlighting taken-for-grantedness, and unequal power relations (Vaara & Tienari, 2004, p. 344) which at times are deliberately camouflaged or unobtrusive and/or unconscious because of being acceptable norms in a given context. In discussing proposition four I used CDA to show some of the possible implications of unequal power for sustainable development.

The study of discourse is based on the premise that discourse is not neutral, there is hidden meaning behind modes of expression, as Heracleous (2004) pointed out, "[social] actors can both take control or manipulate how they present issues, as well as employ selective perception in order to protect and maintain their routinized or comfortable ways of perceiving issues" (p. 177). In the same vein Gill (2000) mentioned that "[p]eople use discourse … to offer blame, to make excuses, to present themselves in a positive light etc." Discourse analysis seeks to interpret these issues and scenarios through in-depth analysis as discourse is borne out of the realities of its context (Gill, 2000, p. 175). The use of discourse as a strategic tool to manage situations and create images (Gill, 2000, p. 175) qualifies it as a resource (van Dijk, 2008, p. 85) for legitimacy management.

Control of the media by dominant groups allows them greater access and autonomy to disseminate information in their own interest (Van Dijk, 1996, p. 85). Here media includes "communicative events" (Van Dijk, 1996, p. 88) along with mass media. Analyzing discourse can indicate who is in control and what the motivation behind the text or discursive act is. Van Dijk (1996) suggested that "patterns and strategies of discursive access" provide such indicators (p. 86). For example, control through levels of access actually begins at the stage of initiating an event, a public meeting for example. The analyst should look at who initiates the meeting, who makes preparations, where the meeting is held, who sets the agenda, who is the chairperson, how does the chairperson chair the meeting, who is invited and who is allowed to participate (Van Dijk, 1996, p. 87).

Legitimacy management techniques for example, symbolic legitimacy and substantive legitimacy were identified and coded based on "theoretical concepts". Yin (2012) noted that "reliance on theoretical concepts to guide design and data collection remains one of the most important strategies for doing successful case studies" (p. 27). The concepts used were economic dependency; structural barriers; context and exigencies; rhetorical strategies in substantive and symbolic legitimacy management; superficial and mystifying discourse; greenwashing; and power relations by patterns and strategies of discursive access. My analysis examines these concepts using the case of the Bahia Principe Jamaica.

Chapter Four – Context of Case

Global economic networks have facilitated foreign investment in tourism, and strong projections for industry growth have made it a target for FDI. While tourism is being touted as a path to development it manifests many issues that contradict the fundamentals of sustainable development, and therefore provides an interesting context in which to further investigate the developmental potential of FDI in developing countries. First, some persisting environmental, social, and governance issues associated with tourism in the developing world are discussed while also looking at barriers to tourism development in an attempt to provide a balance to the discussion. Next, the impact of enclave tourism on sustainable development is discussed. Following this, I present the case of the Gran

Bahia Principe Resort which was constructed in an area known for its rich biodiversity and designated a Conservation Area by the parish of St. Ann, Jamaica.

4.1.   Tourism

Travel and Tourism is one of the largest and fastest growing industries globally (Stewart, 2006, p. 1; WTTC, 2002, p. 3; Font & Ahjem, 1999, p. 73). The industry is regarded as a catalytic force for economic and social development (Sharpely, 2002, p. 12), so much so that the World Travel & Tourism Council proposed that it is "part of the solution to the world's challenges (WTTC, 2002, p. 3).   This confidence in the developmental potential of Travel and Tourism is based on its growth potential (Sharpely, 2002, p. 12), its ability to supply vital foreign exchange to vulnerable economies, attract foreign investment, stimulate infrastructure and small business development outside of metropolitan centres, promote the protection of fragile ecosystems and provide employment for both skilled and unskilled local citizens (Henderson, 2007, p. 230; WTTC, 2002, p. 3, May, 1991, p. 116). Font & Ahjem (1999) stated that:

> With other aspects of the economy weakening, tourism is seen by many areas and nations as a quick and easy solution to combating economic deficiencies. Increasingly, countries are choosing to develop and promote their resources in order to attract tourists. [Unwittingly] this has increased the competition and posed new challenges to prospective destinations. (p. 73)

These challenges have prompted criticisms of mass tourism having an injurious effect on the socio-cultural and ecological environment. For example, Henderson (2007) pointed out that, "[t]ourism …[gives] rise to potentially disruptive dynamics" (p. 230). Weeden (2002) also stated that "[t]here is no doubt that tourism is able to facilitate economic benefit but it can also reinforce social and economic disadvantages of the host population, especially in developing countries"(p. 142). May (1991) outlined the possible widespread negative impacts of the construction of resorts (p. 115) ultimately disrupting farmers' and fishers' livelihoods. Ironically, some tourism developers unintentionally sabotage their own venture by damaging part of the tourism product, for instance in cases where sedimentation (resulting from the construction of tourism facilities) occurs around coral reefs causing water to be cloudy (Ibid.) instead of naturally clear turquoise blue seen around healthy reefs. The industry is also criticized for the effects[32] of its demands (often exceeding carrying capacity) on the local infrastructure and services (May, 1991, p. 115). Below, I expand on some other general environmental, social and political concerns, drawing on examples primarily from the Caribbean.

4.1.1   Environmental Issues

From an environmental perspective, tourism development and activities have exacerbated local ecological problems; they have literally changed the "physical landscape" of the Caribbean (Pattullo, 2005, p. 130). Wetlands and mangrove forests have been cleared or polluted, coral reefs degraded, beaches have narrowed, habitats destroyed, and lines of

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[32]For example, salination of vital ground water sources and bacteriological contamination of beaches.

defense against storms have been compromised, ultimately disrupting livelihoods.
Pattullo (2005) noted:

> In a generation, land and seascapes have been transformed: the bays where once
> local fishermen pulled in their seine nets, where villagers went for a sea bath or
> where colonies of birds nested in mangrove stands now provide for the very
> different needs of tourists. (p. 131)

John Maxwell, a former director of Jamaica's National Resource Conservation Authority
(NRCA) lamented that the Urban Development Corporation (UDC) ignored the
Authority's caution regarding sewage disposal in the Negril wetlands and river as it
would destroy organisms that produce "the powdery [white] sand which made the Negril
beach so attractive". The quality of the beach is now degraded, mud has replaced sand in
areas and it has narrowed (Maxwell, 2006, para. 31).

In the pursuit of industry expansion and foreign currency inflows policy makers have
neglected precepts of sustainable development indicated in the WCED (1987) Bruntland
Report, "to assure that growing economies remain firmly attached to their ecological
roots and that these roots are protected and nurtured so that they may support growth over
the long term" (para. 50).

4.1.2. Social Issues

For some time social commentary in the Caribbean has expressed local feelings of alienation, resentment and displacement regarding inequitable distribution of resource use and benefits, for example, restricted access to beaches -which local people consider their birthright- (Pattullo, 2005, p. 103), and restricted or supervised access to hotel resort properties, which is viewed by some as a retrograde step to an indignity of slavery (Ibid.). Pattullo (2005) wrote:

> In Cuba it is not just the question of access to beaches that has caused dismay among local people. In the 1990s the re-emerging tourist industry practiced a virtual economic and social apartheid, barring Cubans from restaurants, bars, nightclubs, hotels and 'dollar' shops, unless accompanied and paid for by foreigners. 'It's disgusting. We are second-class citizens in our own country. And for what? The US dollar, the symbol of our old imperialist enemy', one Cuban cabaret dancer told a journalist (p. 105).

In the same vein Freitag (1994) stated that "on the south coast of the … [Dominican Republic] the best beaches of Boca Chica are now closed to residents of Santo Domingo while tourists have free access" (p. 552). This has long been an issue in Jamaica so much so that in 1956 former Prime Minister Manley legislated the Beach Control Act to protect the right of Jamaicans who, with the advent of tourism, were increasingly being prevented from "… enjoying their beaches by landowners whose land bordered the

beaches. Suddenly, beaches were being fenced off and claimed to be private property"

(Maxwell, 2006, para. 3). Despite this, decades later this still remains a point of

contention (see e.g., NJCA, 2008; and Gardner, 2008 and Edwards, 2007).

Brooks (2008) highlighted a more subtle type of alienation being the exclusion of

informal traders and local craft vendors from the implicitly "designated tourism space"

(p. 182). She suggested that structural barriers –such as the poor's lack of access to

assets- prevent them from meeting the requirements for entry dictated by dominant

private sector cliques. This barrier excludes the poor from benefiting from the

opportunities created by the industry (Ibid.).

Tourism development also causes exclusion of low income local citizens from accessing

housing/accommodation in tourist resort areas. This is as a result of an escalation in the

value of lands surrounding developments and an increase in rental rates which are

prohibitive to low income migrant hotel workers. This situation exacerbates the problem

of squatting (McKnight, 2008, para. 7) and its social and environmental by-products.

Evidence of this is found in areas bordering the resort town of Montego Bay, Jamaica

where the growth of informal communities in Montego Bay for example, is in part a spin-

off from the growth of tourism (Manning, 2009, para. 13; McKnight, 2008, para. 6).

These communities create and exaggerate "health issues, environmental degradation,

exposure to hazards, and provide… haven[s] for criminals" (Cummings, 2009, para.6).

For example, the police attribute 70% of crimes committed in St. James[33] to residents of informal communities (Manning, 2009, para.12).

4.1.3. Governance Issues

As governments become more dependent on tourism and seek to expand the industry, in countries like Jamaica and Antigua part of the inducement to foreign investors is the freedom to choose the most attractive locations for development which often are ecologically sensitive areas (Manning, 2006, ¶22; Pattullo, 2005, p. 140). This practice and evidence of a short-term outlook, and lax and at times absent environmental policies, have earned some Caribbean governments the criticism of being "worst regional environmental offenders" (Pattullo, 2005, p. 140).

This apparent disregard for the environment has caused disquiet among local citizens in Caribbean islands. For example, in Antigua community members joined forces and compelled developers to cease construction activities and ordered their government to rescind permission –which had been granted despite an unfavourable EIA– given to the developers for the Coconut Hall development (Pattullo, 2005, 140). Pattullo (2005) quotes convener, Foster Derrick: "the government has wreaked havoc with the environment …. We have allowed this to happen. The developers are inconsiderate and wield influence over the government" (p. 140).

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[33] Montego Bay is a resort town and also the capital city of the parish of St. James located in the western region of Jamaica.

In Jamaica where the economy is critically dependent on tourism, the government has been sharply criticized for its unsustainable path to tourism development. A case in point was the action taken by environmental NGOs – Northern Jamaica Conservation Association (NJCA) and Jamaica Environment Trust (JET) and local residents who brought a case against the government by requesting a judicial review of the granting of an environmental permit to a Spanish hotel chain to build in an ecologically rich and treasured location. It is however important to point out that some issues concerning tourism development stem from and are in some cases perpetuated by underlying barriers; some of which I highlight below.

4.1.4. Barriers to Sustainable Tourism Development

The location of the Caribbean islands has left them susceptible to various natural disasters most frequent of them being flooding and hurricanes. Dávila (2003) reported that "[b]etween 1970 and 2002 … there have been approximately 500 disasters in the Greater Caribbean region" (para. 4) with losses and associated costs "estimated at … approximately one billion [US] dollars" (Dávila, 2003, para. 7). Some storm related impacts are gradual, for example, strong waves brought on by hurricanes are injurious to coral reefs which ultimately affect the quality of beaches. This encourages sandmining – which impacts the source environment negatively –in order to reclaim beaches.

From a political viewpoint, tourism development in island states has been described as neocolonization in that it reinforces the centre-periphery trading system;[34] a system characterized by external dependency (Bianchi, 2002, p. 270)[35]. For instance, the centre dictates the type of product provided in the periphery based on its demand trends. Bianchi (2002) pointed out that the dynamics of globalization –economic globalization specifically– has changed the power structure of the industry (p. 280). The hierarchical power relations structure which was characteristic of the centre-periphery system has been replaced by global networks of investors; transnational tourism corporations (TTC) thus changing the structure of power and wealth and further decentralizing decision making (Bianchi, 2002, p. 285). The aim of this form of mobile investment is achieving highest return on investment and holds no loyalty to host countries as made evident in the Asian Financial Crisis of the late 1970s. This increases the pressure on governments to attract and retain foreign investment. Additionally, Harrison et al. (2003) highlighted an industry view that "major destination development cannot be … led by outside investors [as] their interests are not the same as those of the local communities" (p. 296) –also indicated earlier by Barkmeyer (2007, p. 13). This situation shows the importance of an inclusive model of tourism development where local citizens at all levels are engaged in the development process. The literature suggests that while the 'global control' of tourism is to a large extent autonomous in a neoliberal economy, local participation at the individual and firm (SME) level is necessary for the industry to be a catalyst in sustainable tourism development. This new structure of ownership and absence of

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[34] The centre-periphery model remains a characteristic of many former colonies. Despite their sovereignty, they continue in the role as sources of commodities and services for industrialized countries (Ref see Dodman 2009, also see e.g., Figueroa, 2009, para.15).
[35] Economic and knowledge assets are controlled at the centre.

loyalty also weakens Gentry's (1999) point that "the long-term interest of investors …

provides the first important building block for the effort to use FDI as a vehicle for

integrating investment and environmental factors" (p. 10).

Paradoxically, the consumption of tourism has been identified as a probable barrier to

sustainable tourism development. Sharpely (2002) explained that "the manner in which

tourists consume tourism experiences … [influences] the character of tourism

development" (p. 300) and by extension its economic, social and ecological impact on the

host society (Ibid). Basic examples of say, tourists who disobey instructions not to

venture off the beaten path while on an eco-trail, are cumulatively detrimental to

ecosystems, and another is tourists who are not selective with their purchases of

memorabilia; by nonchalantly purchasing items mass produced outside of the host

country instead of supporting the local craft industry serves to further alienate informal

traders and local craft vendors from benefitting from tourism; concentrating gains in the

hands of large merchants. Therefore the level of awareness of tourists –about the host

country and about sustainable development– has repercussions on the value of the

industry to a country's development.

At the state level, some of the challenges to sustainable tourism development identified

were: a "disconnect between policy and practice"; "a narrow definition of tourism" where

'hotels' was the focus rather than 'experiences'; "the lack of integrated tourism

planning"; and "inadequate resource management" (Harrison et al., 2003, p. 296).

Barriers identified at the firm level had to do with inadequate financing and knowledge, a

lack of drive on the part of business owners to commit, insufficient public infrastructure and inconsistency in the application of public policy (Graci, 2007, p. 5).

These examples illustrate that underlying contradictions to the sustainable tourism development agenda significantly impact the level of benefits from the industry. Recognizing this also gives balance to the discussion when assessing expectations of corporate initiatives, and enlightens the reader about other fundamental issues that would need to be addressed to achieve sustainability.

4.1.5. The Impact of an Enclave Tourism Structure on a National Sustainable Development Strategy

The WTTC (2002) reported that "consumers are making product choices based in part on the producer's ethical reputation … socially responsible investing is on the rise" (p. 2) and tourists are increasingly including the greenness of a destination as a criterion for choice of vacation spot (Johnson, 2000, p. 1). Corporations therefore seek to satisfy this demand, both symbolically and substantively to maintain or increase their presence in the market.

In the highly competitive tourism industry, success is dependent on the competent organization of systems at the macro and micro levels to maintain competitive advantage. Creating the tourism product requires the cooperation and coordination of various actors, maintenance of facilities and preservation of the ecological and social environment - the

extent of which determines product quality. As Sagebien et al. (2008) put it "each organism and each specific interaction (or lack thereof) between them shapes … the entire system" (p. 118). The tourism product however is "intangible" (Wheeler, 1992, p. 230) as it is an "experience" (Henderson, 2007, p. 230) and therefore creates "problems of standardization and control" (Wheeler, 1992, p. 230). In order to control and standardize their product some large operators (hotel chains and tour companies) have created their own societies –in the form of all-inclusive resorts or "resort enclaves" – within host country societies. However there are many negative aspects to an enclave structure in a developing country context. Mbaiwa (2005) defined enclave tourism as:

> Tourism that is concentrated in remote areas in which the types of facilities and their physical location fail to take into consideration the needs and wishes of surrounding communities. … [T]he goods and services available at these facilities are beyond the financial means of the local communities and any foreign currency generated may have only a minimal effect upon the economy of the host region. (p. 159)

Enclave tourism occurs in a controlled space. Visitors purchase package tours from tour operators in their homeland (generally the global North) arrive at international airports (located in urban centres) and are shuttled directly to resort enclaves. If visitors do engage in activities outside of the resort they are shuttled to and from formal attraction enclaves (Mbaiwa, 2005, p. 159; Hall, 2011, para.7). Therefore, while the enclave industry structure increases the autonomy and reduces the risk of the corporation, it is

incompatible within a sustainable development framework. As Freitag (1994) pointed

out, "the enclave resort model is not designed to promote economic linkages at the

community level … [In fact] management seeks to limit the interaction between the

tourists and local community to improve its own profits" (p. 551). Gallagher & Zarsky

(2007) stated that "if MNCs are disarticulated from the local economy", knowledge

transfer –a promised benefit of FDI— does not occur (p. 5). Freitag (1994) noted that

when the linkage to the local community is only through employment a culture of

dependency is created (p. 542). He also suggested that the disconnect decreases the

organization's sense of responsibility towards communities (Ibid), which is facilitated by

the community stakeholders' inability to constrain the 'focal firm' given their low levels

of interconnectedness with more powerful stakeholders (Rowley, 1997, p. 900); the

MNC's customers.

Some enclave operations do not depend on the national systems –for example water

distribution – they own private water sources (Environmental Solutions Ltd, 2005, p. 99;

Rose Hall Developments Ltd., n,d., para. 1; Neita, 2010;). Another example is that most

of the food supply for the tourism industry is imported (Dunkley, 2012; MoT, 2011)

despite the option of developing links for local sourcing. "Hotel operators spent some

$62 million on imported food in 2009" (Davis, 2012, para 4). Hoteliers complain that

local supplies are not dependable and of substandard quality (Jamaica Gleaner, 2011b,

para. 5; Belisle, 1984. p. 1).[36] For years Jamaica's Ministry of Agriculture has been

implementing various measures and systems –for example creating the Jamaica

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[36] Belisle (1984) also notes that the importation of food for tourism is part of a larger problem in Jamaica as
the country imports a significant amount of its food for domestic consumption (p. 3).

Agricultural Marketing Information System (Dunkley, 2012, para. 3)– to address these issues. The aim of government is to grow the agricultural industry by harnessing potential benefits from being a linkage industry to tourism and by extension create sustainable livelihoods for farmers. While there are resorts that have invested in developing local sources of food supply such as Sandals Resorts'Sandals/RADA Farming Project, this has been an entirely voluntary initiative. According to Patrick Lynch, Director of Finance & Planning of the Sandals Resorts chain of hotels, "[i]t is a growing feeling that these programmes are vital if companies are to coexist within communities. It's not a matter of philanthropy, but an expansion of economic opportunity in these communities through collaborative actions" (Jamaica Observer, 2009, para. 12)[37]. Nevertheless in 2011 farmers are still trying to create and/or increase linkages with the tourism industry. The enclave structure fosters the disconnect with host societies, and the reduced dependence on local sources enhances the organization's power by avoiding situations of 'mutual vulnerability'.

The critical dependence of the local industry on foreign patronage also is a major factor in the lack of a balance of power. Britton (1982) pointed out that:

> Immobile tourism facilities in tourist destinations rely on foreign corporations to supply both the bulk tourist environment and the tourists to ensure viability. The flow of tourists to these destinations is achieved by either gaining the cooperation

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[37] The Jamaica Observer is owned by Gordon Butch Stewart the Chairman and owner of Sandals Resorts International.

of foreign interests or by national bargaining power over factors affecting the profitability of these foreign interests. For in the final analysis, metropolitan transport and tour wholesaling companies could seek to direct tourists to alternative destinations (p. 347).

He also stated that "since governments in the periphery are so reliant on strategic (export) enclaves for the economic viability of the State (and their own political legitimacy), the operation and expansion of these typically monopolistic interests occurs in a sympathetic investment environment" (p. 335). As previously indicated, governments attract foreign investors with promises that sometimes contradict national policies. For instance, in the case of the Spanish owned hotel Gran Bahia Principe Jamaica where an environmental permit for construction was rescinded by the Jamaican court, Silvera (2008) shared the reaction of the multinational chain's President:

> "I am very angry with Jamaica because the promises to us were not kept," the hotelier told The [Jamaica] Gleaner [newspaper] at his offices in Palma de Mallorca, Spain …. The attraction to invest in the country came with the agreement that I could build three hotels amounting to 1,800 rooms," he disclosed, adding that if he had not been promised, he would not have come to Jamaica. (para. 2)

In the enclave tourism model powerful foreign investors and local elites dominate while the average citizenry is excluded. This is in stark contrast to the principles –equity, and local participation– of sustainable development. Alienation and exclusion, elite

dominance and an overall colonial-like model would suggest a divide between powerful operators and dissatisfied locals. (The aforementioned opinion of the Cuban cabaret dancer is evidence of this). Nonetheless hotels engage in CSR activities to gain legitimacy (from both local and foreign stakeholders).

I will look at organizational legitimating discourse relevant to CSR in the hotel sector in Jamaica with an aim to:

(i)   investigate how organizations communicate their CSR initiatives (meaning, what type of discursive practices are used and to what end)

(ii)   assess whether the initiatives are substantive, or symbolic to determine the implications for achieving sustainable development

(iii)   compare corporate reports with the external reports of corporate responsibility

This is in support of my argument that CSR's ability to provide a basic requirement of business success - corporate legitimacy can sabotage its potential to drive sustainable development.

Chapter Five – Case Study

5.1.   Research Setting

Jamaica is an island in the Caribbean located approximately 145km to the South of Cuba and has an area of 11,244 sq km. The terrain is a mixture of mountains across the centre of the island -with the highest point peaking at 2,256 meters above sea level in the Blue Mountain range- and plateaus along the coastline.

In excess of 120 rivers flow from the mountains and along with other surface and ground water resources make up the country's water supply. Rainfall is seasonal and during the annual drought period (December to April) water rationing is enforced in sections of the island (NWC, 2010, p. 2) as the national catchment capacity and storage facilities are inadequate to supply the country efficiently.

Tropical weather systems are experienced from April to December, June to November being the official hurricane season when the country is susceptible to tropical waves and depressions of varying intensities. Office of Disaster Preparedness (ODPEM) Head, Ronald Jackson reported that "[g]overnment spends on average $14 billion[38] per year repairing damage caused by hurricanes and floods" (Thompson, 2011, para. 1). The mangrove forests and coral reefs are the country's first line of defense against storms.

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[38] Fourteen billion Jamaican dollars; For an idea of recent conversion rates the approximate yearly average J$ exchange rate for 2010 and 2011 were J$88.00 – USS1.00 and J$86.00 – US$1.00 respectively. See http://www.boj.org.jm/foreign_exchange/fx_rates_monthly.php

Jamaica's history recounts colonization by Spain and then Britain, slavery to facilitate commodity (sugar and banana) trade to Britain, emancipation in 1838, and independence from Britain in 1962 – the catalyst of this latter milestone being the 1938 labour riots which was the reaction of workers to declining social conditions (JNHT, n.d., para. 1); see also Niaah & Niaah, 2008).

Today the country is governed by a parliamentary democracy. There are fourteen parishes/administrative districts one of which is the capital city, Kingston. The country's north coast and west end are where the bulk of tourism activity occurs, with Montego Bay and Ocho Rios being hubs. Tourism is gradually developing on the country's south coast and being restored in the east with much attention to environmental sustainability.

Jamaica is home to approximately 2.7 million people (STATIN, 2010a). 14.8% (2003 est.) live below the poverty line (CIA). The country's literacy rate is 87.9%[39]. Preliminary data for July 2009 shows an unemployment rate of 11.3% (STATIN, 2010b). GDP per capita income is US $8,300 (CIA) and the household income or consumption by percentage share: lowest 10% : 2.1% while the highest 10% : 35.8% (2004 est.) (CIA). Providing affordable housing to low income Jamaican citizens is a problem and has resulted in squatting, primarily near commercial centres. Crime, fuelled by gang violence and the narcotics trade increasingly threatens the country's developmental potential.

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[39] 87.9% of the total population "age 15 and over has … attended school" (CIA).

Jamaica's GDP was 15.5b (2011 estimate) (Global Finance, n.d.). The country had an onerous foreign debt to GDP ratio of 139% in 2011[40] (Ibid). The country's GDP composition by sector shows heavy dependency on services which was estimated to be 64.7 % (2011 estimate), while agriculture and industry stood at 5.8% and 29.5% respectively (Global Finance, n.d.). See also (CIA) The World Factbook.

GDP Composition by Sector

Reference: http://www.gfmag.com/gdp-data-country-reports/248-jamaica-gdp-country-report.html#axzz24CwbDNpi
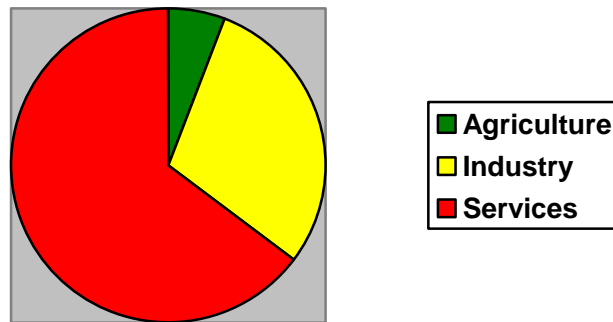
5.1.1. Tourism in Jamaica

Jamaica has long been a popular sun, sand, and sea tourism destination particularly for the North American market based on proximity and the added advantage of having a rich cultural heritage (Webster, 2008, p. 61). Changing consumer demand requires diversification of the tourism product in areas such as nature tourism and heritage tourism. Jamaica is a mature, "long-established and well-understood tourism destination" (Silvera, 2010, para. 7) that offers vacations for both the wealthy and budget tourists.

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[40] "Public debt (General government gross debt as a % of GDP)" (Global Finance, n.d.).

The Jamaica Tourist Board's (JTB) 2010 visitor arrivals record 1.9 million stopover and

.9 million cruise passenger arrivals (para. xi).[41]

Travel and Tourism plays a central economic role in Jamaica; it is the country's largest

contributor to GDP. In 2011(through its direct and indirect impact) generated JAD 4

billion to the country's GDP and overall contributed 25.6% of Jamaica's GDP, creating

24% of total employment. The industry is expected to outpace other local industries at

the average rate of 3.6% up to the year 2022 (WTTC, 2012, p. 11). However tourism

inflows have not transferred to economic and social development on the scale expected

because among other reasons "in many cases the industry has not been integrated with

other sectors of the economy, and there have been high rates of foreign exchange

leakage" (Dodman, 2009, p. 213); see also Figueroa, 2010.

Notwithstanding, the expansion of the tourism industry is quite evident as one travels

along the island's coastal regions; however, it has not been occurring without incident. In

2006 (already mentioned) a group of concerned citizens led by environmentalists

attempted to have an environmental permit (allowing construction of The Bahía Príncipe

hotel in one of the country's biodiversity rich areas) rescinded through court action[42].

Also in 2006 there were violent protests by Jamaican construction workers against

exploitation regarding compensation for work done on the same Bahía hotel construction

site (Evans, 2006, para. 4). In 2008, The (Spanish owned) Riu Hotel was found to be in

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[41] Travel taxes on air and cruise ship passenger arrivals are USD 10.00 and USD 2.00 respectively. Air passengers are also taxed USD 21.00 on departure. Air passenger arrival tax is slated for 100% increase pending parliamentary approval. These funds provide foreign exchange inflows. (See http://go-jamaica.com/news/read_article.php?id=28537).
[42] See Protecting Jamaica's wetlands http://www.elaw.org/node/1252

contravention of the law of Jamaica and was subsequently forced to demolish sections of one of its properties (Jamaica Observer, 2008). In the same year NGO, Jamaica Environment Trust (JET) and partners released a film entitled 'Jamaica for Sale'[43] which documents numerous environmental and social issues (ranging from the displacement of fishers to the compromising of the island's coastal barriers) attributed to tourism development. Also in late 2008 reports circulated around the world about the mystery of the stolen beach in Jamaica, where pristine white sand amounting to over 500 truckloads was stolen and alleged to have been sold in the hotel industry (Davis, 2008; Telegraph UK, 2008). The problem of squatting exacerbated by tourism development (previously discussed) has reached critical proportions in Jamaica with an estimated 20% of the population squatting (Cummings, 2009, para. 13), fuelling major social and environmental problems. The recent action taken against the Jamaica Grande hotel for illegal dumping of solid waste (Jamaica Observer, 2010) is more evidence of tourism development gone wrong.

Despite the government's documented commitment to sustainable tourism —see Jamaica's 2002 Master Plan for Sustainable Tourism Development— it has been criticized for ignoring its own policies and opting for short term solutions to develop the industry. Manning (2006) highlighted environmental and infrastructural 'red flags' raised by a government commissioned study of the Tourism Expansion Programme that seemingly had not urged a change in direction (para. 4). Additionally, the traditional state centralized method of management of tourism development has not been effective in

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[43] "Jamaica for Sale takes a sharp look at the environmental, economic and social impacts of tourism," see website at http://www.jamaicaforsale.net/

leveraging its benefits into the wider community, as Altinay et al. (2007) positied, "many governments have focused upon developing resort complexes as highly developed 'oases; in 'deserts' of underdevelopment. Often these have been self-contained with little multiplier effect in the local community and region" (p. 6). Dodman (2009) also later noted that despite increasing recognition of the value of a participatory approach to tourism planning and development in the Caribbean, the power structure in the industry remains unchallenged (p. 213).

While there is little doubt that the Jamaican government wants to develop the tourism industry in a sustainable way (Altinay et al., 2007, p. 10) it is constrained financially. The government therefore depends on private sources of investment to develop the industry which has proven to be to the detriment of sustainable development (Altinay et al., 2007, p. 9; Stephens, 2009, para. 1). Governance (monitoring and enforcement) has been inadequate due to the "lack of coordinated effort … complacency … [and] lack of willpower" (Altinay et al., 2007, p. 10). In his study of "barriers to sustainable tourism development in Jamaica", Altinay et al. (2007) observed that in the Jamaican context attention to social sustainability needs to be given priority over environmental sustainability if sustainable tourism development were to be achieved (p. 213); (also see Gordon, 2010). Dodman (2009) however pointed out that "because the sociological challenges facing residents of Jamaica's north coast are created by actions operating across and between scales, they must therefore be addressed through a commensurate strategy" (p. 214) rather than what obtains; provisions for tourists taking precedence over provisions for local citizens (Dodman, 2009, p. 213).

In the following section, I will highlight some current issues in Jamaica's tourism.

5.1.2. "Issues in Jamaican Tourism"

In a recent paper entitled "Developing sustainable tourism: Manager's assessment of Jamaica's 10 year master plan" Kennett-Hensel et al. (2010) highlighted the following issues: "sun, sand and fun" is the signature attraction; the market is "saturated and … extremely competitive "; a mass tourism government strategy is the attraction for FDI; "Much of the infrastructure for this industry tied into FDI"; there is foreign exchange leakage; there is no differentiation between Jamaica's product and that of major competing destinations in the Caribbean and Latin America; and there is a "need to diversify … the target market" (p. 144). In addition to these macro issues some of the micro issues the country grapples with are mentioned below.

The Jamaican government is moving towards increasing the value of tourism in Jamaica by implementing programs to harness more of the potential benefits from the industry. One example is "[increasing] local food supply for the country's tourism industry" (Caribbean 360, 2011, para. 1) especially in the wake of increased global food prices and implications on the country's foreign exchange earnings (Caribbean 360, 2011, para. 3). This initiative is expected to "provid[e] sustainable livelihoods for rural farmers, as well as dealing with a major tourist complaint – the shortage of local produce. In addition, the minister [of tourism] asserted that 'hotels can reduce their food costs by over 70 percent

by sourcing food locally" (Caribbean 360, 2011, para. 5). Government through the Tourism Enhancement Fund is providing opportunities for small farmers to take advantage of tourism's 60% demand for agricultural products (Jamaica Gleaner, 2011, para. 4).

As discussed earlier, criminal elements in society have been linked to informal communities. Many of these communities are the only option vis-à-vis accommodation for tourism workers and as a corollary have expanded in tandem with resort developments. The associated social ills threaten the sustainability of the industry and have therefore added pressure on both government and private sector to collaborate in providing decent affordable housing solutions for tourism workers (Manning, 2009, para. 8; Wright, 2009, para. 1).

Since at least 2005 the HIV epidemic was identified as a threat to Caribbean tourism (TPDCo, 2005, para. 1). "An estimated 1.5% of Jamaica's adult population lives with HIV/Aids" (TPDCo, 2005, para. 3). It is suggested that intermingling between visitors and host populations "transports diseases back into communities" (TPDCo, 2005, para. 4), a danger that if not dealt with could reduce the country's GDP by as much as 6.4% (TPDCo, 2005, para. 6). More recently, The Jamaican government through its national HIV/STI programme and its tourism agency, Tourism Product Development Company (TPDCo) has responded by launching a project aimed at preventing transmission of the disease, lessening the impact within the industry, increasing awareness and knowledge,

providing treatment, and promoting acceptance of those afflicted. Funding was provided "through a $5.5 million World Bank loan" (Brown, 2011, para.15).

Periodic attention has been given to the Spruce Up Jamaica campaign whose objective since its launch in 2007 has been "to clean and beautify resort areas across the island" for visitors and citizens (JIS, 2007, para. 1). More recently the Minister of Tourism has once again pledged to clean up Ocho Rios (Gilchrist, 2011, para. 1) in an attempt to resuscitate business in the north coast resort town. Additionally, plans are in the works to build a billion dollar artisan village in the town to provide a more conducive environment for the display and trading of Jamaican "food, music, heritage and craft" (Jamaica Gleaner, 2011a, para. 3).

5.2. GRAN BAHÍA PRÍNCIPE JAMAICA

5.2.1. Introduction

The Gran Bahía Príncipe Resort is an 834-room all-inclusive resort located at an area known as Pear Tree Bottom in Runaway Bay on the north coast of Jamaica. The property is owned and operated by the Spanish company Grupo Piñero.

Grupo Piñero is a global company that provides a range of services— travel wholesale, tour transportation, and accommodation— in the tourism and travel industry. The

company's mission is to provide the best quality service to its customers and to preserve

and develop the ecology of its host environment (Grupo Piñero, n. d.). Grupo Piñero

demonstrates this commitment through various social and environmental initiatives

carried out by its foundation, Fundación Eco-Bahía. Numerous awards won, for

example, Green Planet award, Hotel Plan-Environmental Hotel Award Ecological

Contribution, Semarnat award for sea turtles protection (Grupo Piñero, n. d.) company-

wide appear to be testament to the company's stated mission. In addition to the

ecological environment Grupo Piñero claims to also be committed "to ensure the

preservation of cultural heritage and the communities in which … [they] operate."

5.2.2. Background

The Gran Bahía Príncipe Jamaica resort opened in December 2006 (Silvera, 2007, para.

2) despite much opposition to its construction. Long before the Bahía project the

community in 1993 sought to protect Pear Tree Bottom –a section of which has been

designated a Conservation Area by the Natural Resources Conservation Authority

(NRCA)– from commercial development.   "Pear Tree Bottom was proposed as a

National Park in Jamaica's National Policy for a System of Protected Areas, which was

approved by cabinet in 1997" (NJCA, 2008a, p. 3) Below is an outline of major events

concerning Pear Tree Bottom and the hotel:

1993	Pear Tree Bottom, a pristine area was 'developed' (from an environmental perspective - 'damaged') by Tankweld (a Jamaican company) (JET, 2005, para. 1)
1993	"Community efforts were made to have the site protected when Tankweld development was done" (JET, 2005, para. 3)
2000	The Town & Country Planning Provisional Development Order for the parish of St. Ann was passed (Pear Tree Bottom is located in the parish of St. Ann) (JET, 2005, para. 9)
2002	Jamaica's Master Plan for Sustainable Tourism unveiled
2003	Piñero Group acquired coastal area, Pear Tree Bottom
2003, November	Dredging by Tankweld "tons of coral and marine debris … dumped on land due south of the beach designated a Conservation Area" (JET, 2005, para. 7)
2005, April 8	NEPA authorized site clearance before public consultation and also before issuance of an environmental permit. "Verbal information from both NEPA and HOJAPI project manager that clearing is to

facilitate seismographic test needed to determine specifications

needed of the foundation … of Phase I" (JET, 2005, para. 6)

2005, April 28	Public Meeting held at Runaway Bay. Among issues discussed was 'ability of public to effectively participate' (JET, 2005, para. 5)
2005	Clearing of site halted by NEPA in reaction to environmental groups protest (JET, 2005, para. 12)
2005	"Environmental Permit issued to HOJAPI to develop Phase 1 [734 rooms of the proposed 1918-room] Bahía Príncipe hotel, subject to specific conditions" (NJCA, 2007, para. 3)
2006, May 16	NGOs and citizens win judicial review court case against NEPA and NRCA's approval of the environmental permit to HOJAPI for Phase 1 (NJCA, 2007, para. 4). This was a very significant achievement for NGOs as it was the first time anything like this had occurred in Jamaica. A JET press release read, "Victory for environmental groups in Pear Tree Bottom case" (JET, 2005).

"In his final judgment, Justice Bryan Sykes had ruled that NRCA

and NEPA had failed to meet the legal standard of consultation as

well as their own stated standards of consultation by not circulating a 'critical' marine ecology report to the applicants, and in particular to the Water Resources Authority, with which they were required to consult regarding the approval of the permit" (NJCA, 2007, para. 6).

2006, June 23	In response to investor's appeal the Permit for Phase 1was reinstated out of consideration for amount already invested
2006, August 3	A section of the hotel under construction collapses killing one worker and injuring 16 (Evans, 2006, para. 1)
2006, December	Bahía opens for business
2007, March	NRCA approved permit for Phase 2 (additional 900 rooms). Approval met with protest from NGOs given the disregard of 'required' public input and reports of environmental breaches by the hotel (Jamaican Caves, 2007, para. 3)
2007, June 26	State environmental authorities rescinded Permit for Phase 2. NEPA announced that the decision was taken 'to ensure that the NRCA's decision-making process is in compliance with the law, as

determined in the judgment delivered in the [judicial review] case'
(Jamaican Caves, 2007, para 5)

2008, January 3	Following HOJAPI's appeal on December 6, 2007 to the Ministry of Health & Environment (MoH&E) to have Permit for Phase 2 reinstated the MoH&E instructed HOJAPI to "engage in public consultation in accordance with NEPA's EIA guidelines …. [T]he results of this consultation will inform the Authority's decision in respect of [the hotel application for Phase 2]" (NJCA, n.d., para. 6)
2008, February 11	Meeting held at Runaway Bay described by renowned journalist and environmentalist John Maxwell as 'shambolic' (Maxwell, 2008, para. 4)
2008, April 19	Bahía owner, Pablo Piñero reportedly accused NEPA of blocking the expansion of his hotel and that promises made to him by the Jamaica government which motivated his investment in Jamaica were not kept (Silvera, 2008, para. 6)
2010, August	Bahia workers protest (Edwards, 2010)
2011, May	Bahia workers striking (Edwards, 2011)

2012, May   Bahia announces expansion plans (TVJ, 2012)

5.2.3. Gran Bahía Environs

Pear Tree Bottom, Runaway Bay is described in the Bahía Príncipe magazine as "a

privileged spot … on the north coast of Jamaica" (Gran Bahía Príncipe Hotels & Resorts,

n.d., p. 77). In a briefing paper, the environmental NGO, JET (2005) outlined the

ecological significance of the area as:

> Undisputed. Environmental Impact Assessment confirms. Unique combination of
>
> features in small area – dry limestone forest, fresh water marsh, river, aquifer
>
> recharge, coastal wetlands, habitat for birds, snakes, turtle nesting beach,
>
> outstanding coral reefs (para. 2).

A respondent to the NJCA's request for community input about coastal development

described Pear Tree Bottom as "an extremely beautiful and vulnerable area …a small but

unique watershed that has traditionally supported and enhanced the lives of locals. And

the mangroves with their inshore flats has always served as an important hatchery and

nursery for myriad marine and terrestrial species" (NJCA, 2005, #22 Gruber).

As is the experience in many other tourism zones in Jamaica, unplanned informal

settlements have burgeoned in Runaway Bay; "[a]ccording to the Runaway Bay Police,

squatting and crime have escalated in the Runaway Bay area as a direct result of the

construction of the Bahía Príncipe" (NJCA, 2008, p. 8). In an effort to stem this problem, the government through its housing agency (HAJ) made a commitment in December 2010 to build 1300 housing units along with infrastructure for low and middle income residents in the Runaway Bay community (Edwards, 2010a, para. 1).

5.2.4. The Gran Bahía Príncipe Jamaica Corporate Social Responsibility

5.2.4.1.   Environmental Initiatives

As indicated above, the Fundación Eco-Bahía or Eco- Bahía Foundation is the organization that spearheads the environmental initiatives. The Foundation's purpose is outlined in the Bahía Príncipe magazine as follows:

> The Foundation coordinates the various environmental protection programs …
> which are designed to promote and ensure the conservation of biodiversity, the
> protection of plant and animal species on land and sea, to spread good
> environmental practices and to ensure the preservation of cultural heritage in the
> [host] communities …. It always maintains the responsibility to ensure the
> harmonious coexistence of economic development and environmental care (p.
> 17).

The Gran Bahía Príncipe Jamaica indicates that "[a]s part of the program … [it] guarantee[s] the use of recycled water for plants [and that] [t]he environment is protected on land and sea" (GBP).

5.2.4.2.   Social Initiatives

The Gran Bahía Jamaica is involved in various social initiatives through The Spanish-Jamaican Foundation (SJF). The SJF is an NGO created by Spanish investors[44] with an aim to enhance the relationship between both nations and to assist in increasing the capacity of Jamaicans to take advantage of the opportunities created and manage the demands arising from Spanish investment (SJF, n.d.). Some of the initiatives are outlined below.

> ➢ In collaboration with the Ministry of Education the Foundation began to assist students with special needs in West Kingston schools after the social unrest of May 2010 in the area. Assistance was in the form of "interactive math and literacy games as well as advanced and comprehensive teaching materials" (SJF, 2011, para. 1).

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[44] The Spanish investors of the SJF consists of private Spanish entities primarily from the hotel sector. The investors are: Bahía Príncipe Clubs & Resorts, Riu Hotels & Resorts, Palladium Hotels & Resorts, Iberostar Hotels & Resorts, Excellence Group Luxury Resorts, Calatel, Hospiten, Albertis, Seawind Key Invesments Ltd., Global Exchange - foreign exchange services, and Euro Divisas.

➢ A Real Madrid Football School for Social Integration was brought to Jamaica at the invitation of the SJF. Its objective is 'educating young people through the values of sport' (Gleaner, 2010, para. 2). Children of Gran Bahía employees and children enrolled in the Real Madrid Football School for Social Integration Kids participated in a friendly football game where the aim of the meeting was to foster interaction, "demonstrate the core values of sportsmanship and teamwork" (SJF, 2011, para. 5).

➢ The SJF sponsors a Parent Month initiative in collaboration with the Ministry of Education where good parenting skills are recognized. Annually the Ministry selects parents from across the island who have demonstrated good parenting skills and in addition to being recognized at an awards ceremony they are rewarded with weekend stays at the Gran Bahía Príncipe and at the properties of other SJF members (SJF, 2011, para. 8).

➢ Through the SJF the Gran Bahía Príncipe provides assistance to early childhood education by "improving the learning environment for the students" through the donation of implements and the refurbishment of structures (SJF, 2011, para. 11).

Chapter 6 -Analysis and Discussion

Proposition 1: Symbiotic relationships between the organization and its host society will encourage collaboration on matters of mutual interest and benefit. In contrast when there isn't "mutual vulnerability" powerful organizations may predominate and operate unilaterally and expediently (despite stakeholder challenges) facilitated by the strategic use of CSR as a mechanism of risk and legitimacy management.

A number of factors in the relationship between the multinational and the host society affect the balance of power between them resulting in the host being more vulnerable than the multinational.

6.1. Economic dependency

Jamaica's poorly diversified economy and critical budget deficit places the country in a desperate position of dependency on tourism. The country's economic situation translates into a growing need to improve economic and social conditions and one way is through job creation. This places MNEs that provide large numbers of low skilled jobs in a dominant position.

In a recent (May 2012) Television Jamaica (TVJ) news report, Jamaica's Minister of Labour, while on a visit to the Bahía Príncipe hotel responded to the announcement of the

planned expansion of the hotel by stating that, "confidence has to be at a high level

because the investors are looking to see that the workplace is in a condition that

encourages them to add more dollars to the economy of this country" (TVJ, 2012, para.

3). Accompanying the Minister was the President of the Bustamante Trade Union

(BITU) who stated that, "when you have a multinational coming to Jamaica and setting

up and they feel secure it can also attract other foreign direct investments" (TVJ, 2012,

para. 8). The Minister's concern with the MNE having confidence in the process and not

also mentioning the importance of reciprocal action on the part of the hotel (i.e. Bahía

ensuring that employees feel confident) prioritizes the MNE's position over that of

Jamaican workers. Underscoring this point, the report mentioned that "Minister …

recalls his last visit to the Bahía Príncipe hotel a few years ago, the occasion was a tragic

one, the entrance of the property then under construction fell on a worker killing him"

(TVJ, 2012, para. 2) and despite this, the Minister did not seek to also assure workers that

securing their best interest was of equal importance.[45]

Despite the history attached to the planned expansion, the hotel has been able to prevail

with its initial plans because of its dominant position. Neither the Minister of Labour nor

the Managing Director of the hotel mentioned that solutions to the stakeholder concerns

which instigated the abandonment of expansion in the past would be incorporated in

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[45] The report carries only a snippet of the Minister's speech and he may in fact have addressed/assured workers in the speech but it was edited for the report. If that is correct this further shows the dominance of the MNE as the News Editor also gave it priority. Furthermore, the Union leader (worker representative) did not mention the workers. He was also focused on accommodating the MNE to secure employment for workers but at what cost? All of this exists against the backdrop of numerous strikes staged by dissatisfied Bahia employees in the recent past.

these future plans. This indicates the subordinacy of that position despite its ability in the past to challenge the dominant position (that of the Bahía Príncipe and the government).

The choice of government representative being none other than the Minister of Labour, (and the presence of the union) attending the function suggests an attempt to influence the debate surrounding the expansion. Though the television news report (TVJ, 2012) did not indicate whether the Ministers responsible for Tourism and the Environment were also in attendance, another report of a visit by the hotel's MD Señor Esteban to the offices of the Ministry of Labour supports this view. The Radio Jamaica (RJR) News (2012) report stated that:

> Speaking during a courtesy call at the Ministry's [i.e. the Ministry of Labour's] … offices in Kingston, Mr. Esteban informed Minister Kellier about the current high levels of occupancy being recorded at the hotel and the satisfactory performance of Jamaican workers. Mr. Kellier expressed the full support of the Government for the planned expansion and pointed out that the requisite labour skills would be available locally through the joint efforts of … training institutions (para. 2).

While foreign MNEs face resistance from some groups (for various reasons), their operations are legitimated by the support of stakeholders who benefit directly from their presence through employment and increased business opportunities among others, and also by those who though not direct beneficiaries take for granted that the hotel's

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operations must be beneficial by even some small measure given the soci-economic

context. At the public presentation of the May 2005 Addendum to the EIA for the Bahía

Príncipe development and the Marine Ecology Report, the participants in support of the

hotel development did not express any concern that the developers failed to grant them

access to full information. The fact that they (the developers) acceded to participate in

the consultation to further their own interest[46] seemed to be inconsequential. Instead a

participant thanked the developers for accommodating their concerns and questions.

Excerpt from the transcript of the Feb 2008 public consultation:

> Mrs. Walters: I must thank the group consultation for the dialogue that has been
>
> opened …. I want to thank the hotel for the investment. I want to
>
> thank the hotel for making themselves available for this …. You
>
> have provided a forum for freedom of expression to the monitoring
>
> agencies(p. 109).

6.2.   Barriers

The resort enclave model creates structural impediments between the organization and

society. The following excerpts illustrate Freitag's (1994) view that "the disconnect

decreases the organization's sense of responsibility towards communities" (p. 542).

The customary practice of restricted access to resort properties in Jamaica has been a

longstanding issue and as with other properties the Bahía Príncipe applies this norm.

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[46] The public consultation was a requirement of the Ministry of Health to assist in informing its decision
regarding the hotel's request to have the permit for Phase 2 of its project reinstated.

This presents both physical and structural barriers between hotel and community as indicated in an exchange between HOJAPI rep Mr. Adrian Bailey-Haye, and members of the public, Mrs. McDonald and an unnamed participant at the public meeting (see NEPA, 2008, p. 116-119):

Mrs. M Good afternoon my name is McDonald and I have been living in Runaway Bay for the last 19 years. My question arises from the May addendum about access to the public beach. Now, I am asking is it true that the beach will remain public. Mr. Adrian Bailey-Haye from HOJAPI said at that time that we cannot be denied [*sic*] access to the population of Jamaica on our beach. So I would like to know where is the access to the population of Jamaica on our beach … because it is blocked off on all sides. I cannot get to the public beach anymore.

Mr. B-H: I will quickly respond to that. Whatever you are reading from will also have said that I have said, we have not yet received a beach license that is issued to us by the Beach Control Authority. Any all-inclusive property in Jamaica that operates a beach has rules and access points and rules by which access is provided. We still maintain that we will operate under the licence to allow access to the beach.

Mrs. M: So where are the access points?

Participant: Where it is, because mi can guh deh go bathe. Mi waan fi know. What mi fi duh climb over the gate?

Mr. B-H: No, you must not climb over the gate, you must go to the front desk and you must ask how they take people down to the beach…

Participant: Pure attitude mi get.

Mr. B-H: Their attitude?

Participant: Yes.

Mr. B-H: Hold on there, attitude is another story. I am going to answer you, attitude, in this room with all our best intentions there are people with good attitudes and there are people with bad attitudes in this room. In any hotel, in any workplace, so listen, with the attitude problem that you have, let us deal with that because where the attitude problem exists, if that is what you get, well give us a

chance to repair that, but don't tell us that it is bad attitude you get.

Chairman: Okay, we move to the next speaker. Mrs. Barrows is at the mic, go ahead Marlene.

The organization seems unaccommodating to the stakeholders' concern regarding the lack of access to the beach; they instead rationalize their position by pointing out that they operate in compliance with legal requirements. The organization's attempt to circumvent the issue is even more evident when Mr. Bailey-Haye first redirects the focus of the discussion from 'lack of access' to 'attitude', and second what Ashforth & Gibbs (1990) refer to as "offering accounts" (p. 181); transferring blame to protect the organization's image. The organization takes no responsibility for the actions of the front desk employee; Mr. Bailey-Haye instead sought to justify this as a norm in every organization and society on a whole where one will find people with good attitudes and people with bad attitudes. Another rational perspective, however, is the behavior of the employee could be a reflection of the attitude of management towards neighbouring communities. This is based on the view that the personality of the CEO influences the culture of the organization:[47] According to Giberson et al. (2009) "organizational culture values are, at least to some extent, a reflection of the CEO's personality" (p. 133).

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[47] Though the behavior of one employee cannot be said to represent the culture of the organization the possibility also cannot be ruled out.

The hotel's decreased sense of responsibility is also evident by its multiple breaches of permits regarding its waste water treatment (Manning, 2007). First off, the company began constructing the facility without a permit and subsequent to the granting of the permit autonomously altered the design.   Authorities became aware of the altered design during a visit to the property "prompted by complaints from residents that a foul odour was coming from the property and that sewage was contaminating water sources … design changes had been made … without the knowledge or approval of the regulatory agencies resulting in effluent not meeting the required standard set out by its NEPA licence" (Manning, 2007, para. 5). The actions of HOJAPI suggests that its disconnect from the wider society encouraged an autonomous attitude; management ignored national laws and acted expediently.   Also despite reports of complaints in 2007, in 2008 at the time of the meeting residents of the community were still being affected by the hotel's sewage plant (see Minutes of the Meeting, 2008, p. 123) which again supports the view that the disarticulation of an organization from society seems to result in a reduced sense of responsibility to society.

Proposition 2: The corporate values exhibited and portrayed in the media will not always represent the environmental protection and preservation record of some MNEs.

There are many documented examples which show inconsistencies between communications from organizations and reports in the media (or from stakeholders regarding the organization's social responsibility, see Pilger (2006), Greer & Bruno (1996), Korten (1996) and others. Some disparities are blatant yet the organization

remains legitimate in its host society. Organizations that have centrality[48] and enjoy the support of the majority achieve this because of their perceived utility (evident in the discussion for Proposition1); taken-for-grantedness (Oliver, 1991, p. 148); and superficial and mystifying … discourse (Driscoll, 2006, p. 15).

6.3.   Superficial and mystifying discourse

On the Bahía Príncipe Jamaica website in the section entitled "get to know the resort", the theme is the natural environment. Words and terms such as "indigenous plants" and "mangroves" create a sense that the company values the natural environment. It states: "the Bahía Príncipe Jamaica has impressive green areas and subtropical gardens with a wide variety of flowers and indigenous plants …. You can see palm trees, coconut trees, mangroves, almond trees, poinsettia trees, among others" (Bahía Príncipe, n.d.b, para. 1).

In addition to referring to the endemic and national bird by its official name "long-tailed hummingbird", and by its local name "Doctor Bird", scientific jargon is included by mentioning that this bird is "of the Trochilus Polytmus species" (Bahía Príncipe, n.d.b, para. 3) which adds a sense of authority and knowledgeability on the subject of nature thus building the "ethos" (Castello & Lozano, 2011, p. 22). The section also mentions that "green turtles go to our beautiful white sand beach as a home to lay their eggs each season" (Bahía Príncipe, n.d.b, para. 4)). The paragraph functions as an enthymeme (Castello & Lozano, 2011, p. 22); it reinforces the message of environmental

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[48] Centrality refers to the organization's "position in the [societal] network relative to others" (Rowley, 1997, p. 898).

consciousness leading one to deduce that the natural, pristine environment is an important part of the operation and therefore the organization is environmentally responsible. Use of the word "green" in the text appears deliberate, it mentions "green areas" (para. 1) and "green turtles" (para. 3) which also enhances the environmental frame. "Green areas" appears to be used as emphasis as the actual green areas are listed following the phrase making the phrase expendable. It is also interesting that the scientific name for the green turtle was not mentioned (as it was for the Hummingbird) leading me to conclude that the purpose for mentioning the green turtle (which in general is a sea or marine turtle) was different. Furthermore on the Eco Bahia Foundation website the general term –sea turtle– is used: This however may be because the Foundation's website is referring to turtles in the various Bahía Príncipe host countries which are of different species.

The page also highlights that "the resort is committed to the environment and takes regular action for its conservation with the Eco-Bahia Foundation" (Bahía Príncipe, n.d.b, para. 5). However despite no space constraints on the webpage (more than a half of the page is left blank) the actual "regular actions" are not listed (as in the case of the green areas) except for in the following paragraph where it is mentioned that "[Bahía Príncipe Jamaica guarantee[s] the use of recycled water for plants" (Bahía Príncipe, n.d.b, para. 6). The page also mentions that "the environment is protected on land and sea" (para. 7) with no indication of how, causing me to reflect on Walker & Wan's (2011) point that "substantive action is the extent to which a firm provides concrete actions or steps they have taken to care for the natural environment" (p. 7) Another curious point is, the Eco

Bahia logo is displayed on the page and though the section is about the company's commitment to the environment there is no hyperlink to the Eco Bahia Foundation page.

Finally, from an intertextual perspective, we see how the Bahía Príncipe is linked to other tourist-based web destinations in a way that further serves to legitimize their "green" image.

> An utmost respect for the environment shines through at all Bahia Principe properties (Deltavacations.com).

> At the Gran Bahia Principe Jamaica, you will find relaxation and activities in an ecologically friendly environment (Fleetwaytravel.com).

6.4.   Contradictions

Organizations use a combination of substantive and symbolic actions to manage their legitimacy (Ashforth & Gibbs, 1990, p. 180); comparing these actions and actual events gives the analyst an opportunity to assess the organization's values.

The Bahía Príncipe communicates its commitment to the natural and social environment in various media. In its catalogue[49] the hotel confirms its commitment to the environment by stating that its Eco Bahía Foundation which "coordinates the various environment protection programs Bahía Príncipe runs in different parts of the world …

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[49] This undated catalogue was obtained from the Bahía Príncipe Jamaica during October 2011.

are designed to promote and ensure the conservation of biodiversity, the protection of plant and animal species on land and sea, to spread good environmental practices and to ensure the preservation of cultural heritage in the communities in which we operate" (Bahía Príncipe, n.d.a, p. 17).   The mission statement of the Eco Bahía Foundation is "to safeguard the natural environment, biodiversity and cultural heritage in line with the sustainable use of natural resources" (Eco Bahía, n.d.). Nevertheless numerous environmental breaches have been documented by regulatory agencies and also reported in the media. An interesting observation is that these breaches not only contradict the position communicated by the hotel but also reveal patterns of autonomous behavior and persistent irresponsible behavior.

One of the signature programs of the Eco Bahía Foundation is to protect, preserve, and raise awareness about coral reefs (Eco Bahía, n.d.a). The Eco Bahia website describes "[t]he coral reef …[as] the most complex and diverse ecosystem of the marine environment so its great diversity is comparable only to that of tropical forests, which is why it is considered a vital gene pool that is essential to preserve" (Eco Bahía. n.d.a). In addition, one of the goals of the coral reef protection programme is "to avoid any direct or potential causes of damage" (Ibid). However numerous breaches by the hotel (shown in Table 6) regarding "damage to coral reef due to improper dredging activities" were recorded by NEPA. Records indicate persistent irresponsible behavior.

In addition, enforcement notice was served on the hotel in January of 2008 for the "discharge of improperly treated sewage" and while there was subsequent full

compliance notice served in May 2009 for the 'disposal of untreated effluent into the environment" (Ibid), this again indicates persistent and direct contradiction with the values communicated by the company.

Table 6

Breaches: Damage to reef

Date	Breach	Action/Status
7 December 2007	Damage to reef due to improper dredging activities	Warning letters served
17 January 2008	Damage to reef due to improper dredging activities	Warning letters served
12 February 2008	Damage to reef due to improper dredging activities	Warning letters served
14 May 2009	Damage to reef due to improper dredging activities	• Warning letters served • Dredging halted hotel asked to remove equipment • This was not done as pipes were found to be stockpiled on the reef • They were asked to remove the pipes and this was complied with when verified on March 2008. However the granting of a subsequent licence to dredge led to improper storage of pipes on the floor of the sea

Excerpt from Gran Bahia compliance history.

The breaches below (see Table 7 – Persistent Breaches[50]) show that the hotel's

management also appeared to have the penchant to act autonomously of the local

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[50] The information for this Table – Persistent Breaches was obtained from the Gran Bahia Compliance History provided by NEPA.

authorities such as NEPA and the Water Resources Authority (WRA) (Manning, 2007).

Both national institutions are the premier authorities for regulating and monitoring

environmental resources.

Table 7

<u>**Persistent Breaches**</u>

Date	Breach	Action/Status
23 November 2006	Sewage treatment plant built outside of approved specifications	Applied and received approval for amendment
27 November 2007	Dredging without a beach licence	Verbal warning given
7 December 2007	Dredging without a beach licence	Warning letter served
19 January 2010	Construction of jetty without permission	- Warning notice served - Summons served on February 22, 2010 and matter tried in court on March 22, 2010 and Hojapi was fined $300,000. An application was made for the structure and this was approved.
1 February, 2010	Construction of seawall without permission	- Warning notice served - Summons was served on February 10, 2010 and Hojapi Ltd. was fined $250,000.00. An application was made for the structure … and this was approved. ….

Excerpt from Gran Bahia compliance history

Proposition 3: CSR reporting in the media will selectively focus on general social issues

rather than on existing externalities which could be damaging to the corporate image. An

MNE will legitimate its operations despite behaving irresponsibly, by focusing on the preoccupations (or priorities) of the host society.

Differing priorities of stakeholders in different cultures (Visser, 2008) or contexts provide opportunities for corporate expediency to be overlooked in some places and not in other places. CSR can therefore act as a smokescreen or window dressing for corporations. Justifying the operation by highlighting the benefit of employment to the society has been discussed in Proposition 1. In an article –entitled The Spanish Factor; chiefly about the benefits of Spanish investment in Jamaica; former General Manager of the hotel Daniel Ferra alluded to an opportunity for Jamaicans to become bilingual to fill the demand created by their hotel. He mentioned "the creation of jobs and the improvement of infra-structure". Ferra was also quoted as saying "We are very proud of all our community involvement, but in particular our Eco-Bahia department that aims to help create a cleaner environment by working with local fishermen and schools. We also support a local orphanage called "Miss Daisy's Home" by providing clothing, food and money on a regular basis" (Jamaica Tourist, 2009, p. 3). The initiatives Ferra chose to highlight related to some of the issues given priority in the Jamaican society.

Highlighting "the creation of jobs" (or 'employment' in more recent media reports and other documentation) gives the audience a good impression of the company; however, concerns regarding the treatment of workers have been a recurrent issue. In 2006, two collapses (months apart) of parts of the structure during construction of the hotel resulting in fatality and numerous injuries were thought to be the result of developers rushing

construction at the expense of worker safety (Evans, 2006, para. 9). On another occasion construction workers also went on strike protesting poor compensation (Evans, 2006a, para. 5). There was also work stoppage by disgruntled hotel workers over poor treatment, claiming "they sometimes have to work under appalling and unfriendly circumstances and that the hotel's management shows no consideration for their concerns" (Edwards, 2010, para. 2). As one worker put it, "the Spanish dem treat us like dogs, the worst treatment that anybody can imagine we get over here, they don't have any respect for workers, dem tell us anything, talk to us anyway, treat us like we are not humans and we are expected to just take it" (Edwards, 2010, para. 17). Again in 2011 there was work stoppage, "workers walked off the job … in protest against what they described as the continuous unjust treatment of staff by managers" (Edwards, 2011, para. 2).

In this same article mentioned above, Ferra framed the environmental issue in terms of cleaning up the environment which has been a perennial campaign of local authorities, NGOs and some ordinary citizens[51]. He spoke of working with fishermen and schools to create a cleaner environment giving an impression of overall cooperation between the hotel and fishermen. However in the documentary entitled Jamaica for Sale, fishermen talked about the impact displacement has had on their livelihood. Also in the film, Executive Director of NJCA, Ms. Wendy Lee made an interesting observation stating:

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[51] For example, JET's annual coastal and beach Clean Up, or the government's Spruce up Jamaica programme among others.

I found it so ironic and sad really that on the website for the Gran Bahía Príncipe

one of the pictures they used was this little Jamaican fishing canoe anchored in

the cove at Pear Tree Bottom, this is the cove that is now cut off from access by

[*sic*] the few little fishermen that used to use it as their source of livelihood, so

you know we like the idea of fishing boats and fishermen but really what we are

saying to fishermen now is you know, you can't fish here anymore.[52]

The issue of the fishermen is framed "in terms of other values that are seen as legitimate"

(Ashforth & Gibbs, 1990, p. 180), thereby shifting the focus from issues such as

displacement to what could be viewed as a form of empowerment. The organization is

therefore "redefining [its] means and ends" (Ibid).

CSR initiative like clean-up campaigns and philanthropic contributions to orphanages

like "Ms. Daisy's Home" are general issues in the Jamaican context which can be viewed

as Bahia reporting on 'specific' reputation enhancing information and given the concerns

if stakeholders a form of 'censorship' (de Villiers & van Staten, 2006, p. 763).

Proposition 4 is intended to assist in understanding the focus of foreign MNEs regarding

their commitment to the sustainable environmental and social development of the host

country.

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[52] Jamaica for Sale (53:13 minutes) Footage of Wendy Lee; Executive Director of the NGO Northern
Jamaica Conservation Association (NJCA)

Proposition 4: A foreign enclave corporation that holds a dominant position in the host society and whose primary market is overseas will tend to use greenwashing and chiefly strategic rather than dialectic rhetoric in its discursive practices.

The power imbalance between the MNE and its host country presents situations that show the company's level of commitment to the host nation's development. Corporate discourse can be analyzed to indicate the focus and attitude of the corporation in this regard.

6.5.   Context and Exigencies

I chose the Minutes of the February 11, 2008 public meeting for the public presentation of the May 2005 EIA for the Bahia Principe development which included the marine ecology report as the subject of analysis because it brings together three key perspectives in the discourse. While some presentations/questions at the meeting were prepared, the interaction was spontaneous. The type of rhetoric used provides insight into the intent of the user as, according to Berkenkotter & Hucki (1995), it "subconsciously reflect[s] … values and ideology" (as cited in Suddaby & Greenwood, 2005, p. 40).

The meeting was intended to give local citizens a voice in the development of the Bahía Príncipe occurring in their community. It was held based on a directive from the Ministry of Health in response to HOJAPI's appeal for the reinstatement of a permit to expand the hotel. This entire process was borne out of the previously discussed court

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case which upheld the case brought by the NGOs and citizens against NEPA, citing error in the granting of a Permit for the construction of phase two of the hotel. The failure of HOJAPI to share information, being the Addendum to the EIA and the Marine Ecology report (NEPA, 2008, p. 105), with its constituents created suspicion and mistrust. The omission of information to the public by HOJAPI brings into focus Owen & Swift's (2001) question regarding true accountability when the right to information has not been extended to stakeholders (p. 7). Furthermore before this the NGOs had expressed concern about the Jamaican government inviting developers before "a proper assessment if natural resources as well as physical and social infrastructure … to determine the carrying capacity if the area" (JET/NJCA, 2005, p. 3). They argue that the Precautionary Principle should apply and no development go ahead" (Ibid); this among other sentiments fuelled suspicion and mistrust among these stakeholders.

I also analyze texts found in the media in relation to a visit by the King and Queen of Spain during the summer of 2009. Before and after the visit of the monarchs there were reports of action being taken against Spanish hotel chains in Jamaica (including Bahia) by government agencies, NGOs and local residents for various reasons such as environmental degradation, dissatisfaction over worker exploitation and the contravention of national laws.

Some of the articles in the media before the visit were:

- "Too many rooms! Hotel growth pressuring infrastructure" (September 17, 2006)

- "Baha *[sic]* under fire again – WRA, NEPA threaten to take action against hotel for more breaches (April 29, 2007)

- "Stop for Jesús' sake! – Halting hotel construction costing millions, says envoy" (June 18, 2007)

- "Bahia boss says NEPA blocking expansion" (April 19, 2008)

- "Spanish hotels do more harm than good to Jamaica's tourism product" (April, 25 2008),

- " Bahía Príncipe slapped with enforcement notice" (May 25, 2009)

6.6.   Rhetorical Strategies in Substantive and Symbolic Legitimacy Management

In order to maintain viability, organizations will seek to substantiate their position to the stakeholder groups that pose the greatest threats to their viability. This is especially true of profit making entities. Three types of rhetoric: strategic, institutional and dialectic are considered in my textual analysis.   I use texts directed primarily at two audiences, local citizens (constituents), and clients (which primarily are foreign constituents) to identify the types of rhetoric used and the quality of legitimacy management.

Strategic rhetoric is used by the organization to selfishly influence stakeholders' opinions (Castelló & Lozano, 2011, p. 19). It is "oriented towards pragmatic legitimacy" (Castelló & Lozano, 2011, p. 17) which the organization gains from communicating to stakeholders the benefits of the organization to them (Castelló & Lozano, 2011, p. 12).

Suchman (1995) points out that this strategic approach "emphasizes the ways in which organizations instrumentally manipulate and deploy evocative symbols in order to garner societal support" (p. 572). Castelló & Lozano (2011) show that the organization will rationalize its operations by providing the "logos" (p. 22); by presenting economically logical arguments to stakeholders coupled with assurances of accountability and efficiency. Bahia's communication directed at the Jamaican populace focused primarily on the economic logic. Below are examples of this.

Notwithstanding that the then Spanish Ambassador to Jamaica, Jesús Silva was not referring to Bahía Príncipe in particular but speaking generally when he responded to actions taken against Spanish hotel developers by saying "One of the things that we are all working on is that Jamaica wants to be an investment-friendly country, so giving stop orders to a site is something that does not help at all for the investment-friendly climate of the country" (Housen, 2007, para. 3). Pablo Piñero, president of Grupo Piñero, the parent company for Bahia Principe, also used the economic logic while expressing his frustration –at Jamaica's environmental regulators for blocking his expansion plans– to a local (Jamaican) newspaper by stating "I spend US$5 million per month in the island's agricultural sector just feeding my guests" (Silvera, 2008, para. 9). More recently, while promoting the planned expansion of the hotel, after being prompted by the local television news reporter about job creation, the present General Manager of Bahia hotel Ricardo Esteban responded by saying, "If everything goes well and we're talking about, why not, 700 rooms in, in the best way, we can be talking about another 600, 700 staff, why not" (TVJ, 2012). On a previous occasion then Bahia General Manager, Daniel

Ferra while speaking to the Jamaica Tourist magazine (2009) said that "Spanish companies [were] not only … a major business force in Jamaica, but also … very involved in improving the lives of Jamaicans through the creation of jobs and the improvement of infrastructure" (p. 17). He also mentioned that Grupo Piñero is helping in "the social development of the community" (Ibid)[53]. In none of the abovementioned situations was the ethos used to promote or to justify operations to local stakeholders. The transcript of February 2008 public consultation also indicates the use of strategic rhetoric.

Institutional rhetoric is aimed at demonstrating the organization's commitment to being a responsible citizen. According to Castelló & Lozano (2011) its message to stakeholders is "we are 'good' and responsible … we belong to the CSR community" (p. 22). Institutional (or organizational) isomorphism[54] is a manifestation of the institutional approach which "focuses on how organizations build support for their legitimacy by maintaining normative and widely endorsed organizational characteristics" (Castelló & Lozano, 2011, p. 13). Suchman (1995) mentions that the institutional approach "emphasizes the ways in which sector-wide *structural dynamics* generate cultural pressures that transcend any single organization's positive control" (p. 572). In short what Ashforth & Gibbs (1990) refer to as coercive isomorphism (p. 178). Among stakeholders, these normative characteristics or "cultural models" (Castelló & Lozano,

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[53] While the targeted audience for the Jamaica Tourist magazine is tourists based on its tagline "everything you need to know for the perfect vacation experience" this magazine can also be found outside of resort towns in Jamaica free of cost and therefore also targets the local population.

[54] Deephouse (1996) defines organizational isomorphism as "the resemblance of a focal organization to other organizations in its environment" (p. 1024).

2011, p. 12) become taken-for-granted assumptions (Ibid), a cognitive process through which organizations are ascribed cognitive legitimacy. While organizations do not have control over the ascription of cognitive legitimacy, this blind trust –in their adoption of best practices and ethical behavior– that stakeholders have can be fractured by evidence of irresponsible behavior.

While providing the logos appears to be the point of focus for promotions to local stakeholders, "providing the ethos" (Castelló & Lozano, 2011, p. 22) is ubiquitous in communication targeting customers - stakeholders overseas. Despite the concerns of local groups/individuals regarding environmental protection and the fair treatment of workers the ethical standards of the company were not used to appease local concerns in the material analyzed. Examples of institutional rhetoric in Bahia's communication are provided below.

The "surroundings and nature" page on the Bahía Príncipe Jamaica website (Bahía Príncipe, n.d.b) displays logos (emblems) for the following:

1. Certificate of Excellence 2012, "which honors hospitality excellence … [based on] consistently … outstanding reviews on Trip Advisor" (the world's largest travel site) (TripAdvisor)
2. Eco Bahia Foundation, which promotes and directs the hotel's environmental and social initiatives and indicated its commitment to the environment

3. Cristal Standards award/European Crop Protection Association (ECPA), which

   recognizes the implementation of health and safety standards in food and safety

   and water hygiene.

The display is to symbolically communicate the organization's adherence to institutional

standards and strong ethical values, as except for the Eco Bahia Foundation nothing on

the page describes either the significance of the logos or indicates the actions taken by the

company for it to merit these affiliations (Walker & Wan, 2011, p, 7). In this regard, the

symbols could represent purchased legitimacy (Kalland, 1993, p. 6) by way of

registration fees, and certification could represent only partial fulfillment of requirements

as with Green Globe (Green Globe, n.d.).

A quick Google search of hotel CSR will show that environmental and social initiatives

are widely practiced in the industry. Established hotels engage in a variety of initiatives

(as diverse as from cause-marketing to EMS) and report on these projects to

communicate their commitment to environmental and social sustainability. The Eco

Bahía Foundation website provides the ethos by outlining programs and detailing actions

taken in conservation and development efforts. For example in the section on 'Programs'

– 'Sea Turtles' is written:

  Our staff patrol beaches every night from April through September in order to

  protect the nests, three types of nests are established: the onsite, the relocated, and

the protected area. Two months later, these eggs hatch and the hatchlings are

released into the sea (from June to November).

This, and greater level of detail found throughout the site appears to reflect substantive

legitimacy management (Walker & Wan, 2011, p. 7); however, the Foundation site which

is used as a reference for CSR projects throughout the Bahía Príncipe chain of hotels

documents programs occurring in Mexico, Belize and Guatemala and presents template-

like descriptions of what occurs at all Bahia properties, for example pertaining to

recycling. Citing this general informational resource (which is presented in Spanish

without translation) on the Bahía Príncipe Jamaica company website is a symbolic

gesture seemingly being used to reinforce cognitive legitimacy. Symbolic legitimacy

management is sufficient to gain legitimacy here because this institutional CSR rhetoric

is directed at an audience whose societies are at a stage of development where ethics is of

significant importance and therefore provides an influential legitimating mechanism

(Visser 2008). Furthermore, the interconnectivity between clients and local residents

regarding the company's ethical behavior is limited in an enclave structured operation;

therefore institutional rhetoric such as "[t]his foundation is dedicated to the protection of

the environment. As part of the program, we guarantee the use of recycled water for

plants" (Bahía Príncipe, n.d.b) is taken-for-granted that the recycled water is of similar

standards as found in home societies because such standards are the norm. This taken-

for-grantedness makes it "unthinkable" (Suchman, 1995, p. 583) that the recycled water

the company refers to may not be adequately treated and is affecting the lives of local

citizens beyond the hotel's walls because of Bahía's unethical behaviour (Manning, 2007).

Dialectic rhetoric is used to gain moral legitimacy and seeks to genuinely engage and include constituents. In this regard, the message to stakeholders is "we want to engage you in a dialog" (Castelló & Lozano, 2011, p. 22). Both pragmatic and cognitive legitimacy employ symbolism which gives corporations the opportunity to also make empty gestures. Moral legitimacy on the other hand fosters a participatory approach and in this regard is considered substantive given that in engaging constituents the organization takes "concrete actions or steps" (Walker & Wan, 2011, p.7) for positive change. Furthermore given that it implements a tenet of sustainable development -a participatory approach, naturally there would be expectations of progression in this regard. However "real, material change" has to occur in other areas as well, such as "structures" (Ashforth & Gibbs, 1990, p. 178) of power; without fundamental changes moral legitimacy will be reduced to superficial talk. For example, whilst the meeting for the public presentation held at Runaway Bay in 2008 facilitated engagement and dialogue, and despite the Bahía representative's acknowledgement of the value of public consultations and his assurance that the hotel would be guided by the directives of monitoring agencies the records give the impression that Bahia's participation was symbolic. This is in reference to the discussion regarding the adequacy of the capacity of Bahia's sewage treatment plant. Below is an excerpt from the dialogue between Bahia's Lawyer, Milton Samuda and participant, Mr. White (see NEPA, 2008, p. 64).

MS   With those figures I accept that as premise and that is why this

            type of public consultation is so important. Because if that is the

            reading that you are getting and we have something on our side

            and have the monitoring agencies in between, who are responsible

            for ensuring compliance with the nationally set standards and have

            been monitoring the plant then I think you get a resolution. Now it

            may not be that all of the experts on all sides agree, but at some

            point in time a regulator fulfilling its obligation will draw a line in

            the sand and say whether there is compliance or not. And the hotel

            will be guided accordingly.

Nevertheless, a few years later during 2010 and 2011 records (from NEPA - 'a

regulator') of Bahia's compliance history reveal 6 instances of 'Breaches of

Permit/Licence for STP (sewage treatment plant) and despite warning notices being

served by NEPA on each of these occasions, and Bahia's persistence in breaking the law,

stronger action was not taken against the hotel. Whilst the specifics about the breaches

are not given in the report, one does not have to speculate, based on the fact that the hotel

consistently contravened the law despite prior assurances to the contrary. Bahia had the

liberty to act selfishly because regardless of the best intentions of dialectic rhetoric and its

accommodation of dialogue and consultation the underlying power structure remained

intact and as indicated by Baum "[t]o recommend dialogue in a situation of inequality of

power is a deceptive ideology of the powerful who wish to persuade the powerless that

harmony and mutual understanding are possible in society without any change in the

status quo of power" (Baum as cited in Swift, 2001, p. 23).

6.7.   Power Relations by Patterns and Strategies of Discursive Access

The Chairperson Pauline Haughton (NEPA, 2008, p. 1) was "the Past President of the St.

Ann's [parish] Chamber of Commerce and involve [*sic*] with the Econergy Engineering

Services" (NEPA, 2008, p. 2). Her background suggests that she would be sympathetic

to both Bahia's and the government's position given her former role at the Chamber of

Commerce which serves to promote local businesses. The Bahia operations would bring

increased business opportunities directly through contracts and indirectly by creating

increased spending. In addition, Econergy Engineering Services with whom she is

associated is a purveyor of energy saving solutions and energy systems among other

services offered, and therefore may have had a commercial interest in the hotel[55]. The

Chairperson displayed bias when she allowed the Hotel representative, Mr. Samuda

(Bahia's Lawyer) to speak out of turn (NEPA, 2008, p. 92) but did not apply the same

lenience with Mrs. McCauley, the Executive Director of the NGO Jamaica Environment

Trust –one of the complainants that brought action against the government which caused

the rescinding of Bahia's permit (NEPA, 2008, p. 111).

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[55] "Eaton H. Haughton P. E. is the Managing Director of Econergy Engineering Services Ltd., Jamaica's
first "Energy Services Company". This company is a … leader in maintenance engineering, energy
conservation and alternative energy, from which Caribbean ESCo Ltd. has evolved" (Caribbean ESCo Ltd.)
A look at the company's "Product and Services" link on the website suggests that in Jamaica hotels would
be one of its most lucrative clients. Also notable on ESCo's "Home" page link , included on its "short list
of accomplishments" are:
- Installed first complete hotel cogeneration system
- Manufactured and installed air conditioning heat exchangers in hospitals, hotels and food
  processing plants (400 – 15,000 gals per day).

Another point of interest was that HOJAPI's lawyer, Mr. Samuda, was first on the agenda to present (NEPA, 2008, p. 13), thus placing the hotel in the dominant position, ascribing control, authority, and greater importance to their arguments. Mr. Samuda's presentation was giving the "background introduction" (NEPA, 2008, p. 13) to the issues at hand which could have been delivered by the Chairperson (who is supposed to be neutral) or another participant who is not visibly connected to either side. Despite the government's interest in this, it would have provided a balanced platform for the discussions.[56]

The meeting was held at an apparently neutral venue, a church hall. I qualify with 'apparently' because the choice of venue could also have political undertones. Questions such as who are the movers and shakers in the church organization? Or who contributes large donations to the church? Which side does the rector support and does he expound his bias from his privileged position on the pulpit? These questions are relevant in the Jamaican context as in small communities such details are known by constituents and could influence opinions as the church plays a leadership role in Jamaican communities and the majority respect and/or are guided by the views of the church. The Chairperson sought to use this influence over participants at the meeting (NEPA, 2008, p. 1; NEPA, 2008, p. 7). I might also add that there are different levels of prestige attached to certain churches based on denomination, location and membership. The denomination and location of the church; United Church, Runaway Bay, St. Ann suggest that it is

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[56] Another example of this imbalance of power was evident at a previous meeting (public consultation) in 2005 for the presentation of the EIA regarding the development of the Bahia property. It was noted that the public were not allowed to participate until two hours and forty minutes into the meeting due to the length of the formal presentations (JET, 2005).

influential. Answers to other questions such as: Who chose the venue? Who chose the chairperson? Answers to these questions would also enhance the discussion on patterns and strategies of discursive access (Van Dijk, 1996, p. 87).

6.8.   Greenwashing

Greenwashing is used to reconstruct reality and build corporate image. It goes beyond simply verbally or visually painting a polluter green. As already discussed, the purchase of green symbols, the use of green rhetoric, the development of foundations to spearhead a green agenda, and distractions from negative environmental issues among others all enhanced by the resources of the dominant constitute greenwashing.

During the visit of the Spanish monarchs in summer 2009 there was much talk about the positive impact and the potential for greater impact of Spanish companies RIU, Grupo Piñero, Iberostar, Fiesta Hotels, Excellence and the Fuerte Group on Jamaica. Below are some of the comments made by Ambassador Silva during the time of the visit:

- "Spanish hotels are bringing dynamism and competition into the Jamaican tourism industry by applying international best practices and the latest standards of quality at a reasonable price. Today, the island offers the world tourism market one of the most modern efficient destinations in the world" (Jamaica Tourist, 2009a, p. 14).

- "The most direct benefit in the social development of the Jamaican economy is certainly the massive creation of jobs. This is the solution to the most of the social problems of the country, including crime, squatting and emigration" (Jamaica Tourist, 2009a, p. 15).
- "We built a new wing at the Spanish Town Hospital which was officially opened by their Majesties King Juan Carlos 1 and Queen Sofia of Spain (Ibid).

As already mentioned Daniel Ferra then General Manager of Bahía Príncipe hotel also spoke of the benefits of Grupo Piñero's presence in Jamaica. He spoke of social initiatives "that help the social development of the community. … We are very proud of all our community involvement, but in particular our Eco Bahia department that aims to help create a cleaner environment" (Jamaica Tourist, 2009, p. 17).

However reports from monitoring agencies and the media revealed another side. As already documented in this paper, agency reports before and after summer 2009 show environmental breaches by Bahia Principe. I mention here the three breaches in NEPA's (2012) Hojapi Ltd., Trading as Gran Bahía Príncipe Hotel Compliance Report closest the summer 2009 visit of the King and Queen.

- May 9, 2009   Disposal of untreated effluent into the environment
- May 14, 2009   Damage to reef due to improper dredging activities
- June 12, 2009   Breach of Beach Licence

Despite the socially responsible face portrayed, Gran Bahia neither made environmental nor social protection a priority.

The company's website highlights its "commitment to the environment" by stating that "the [Eco Bahia ecological Foundation] is dedicated to the protection of the environment. …. The environment is protected on land and sea" (Bahia Principe, n.d.b). Another section on the website, "Enjoy the Best Beach" highlights the natural environment, tropical colours and as already discussed plays on words such as 'green' seemingly to emphasize organizational appreciation for the environment. It states:

> On the resort's beach you'll enjoy the sun and beach almost every day of the year, 300 days of sun and a perfect temperature of 28˚C. The blue-green sea extends along the beautiful bay with a mangrove backdrop. Green turtles chose our beautiful white sand beach as their home to lay their eggs each year, so you may be able to see them. Come to the paradise of Runaway Bay, and have your best beach vacation ever.

Mention of "green turtles" choosing to use the hotel's white sand beach to lay their eggs on seems to aim to create a picture of pristine surroundings. It also alludes that the beach is natural, which it is not.

The hotel also states that it is dedicated to protect the environment and boasts of its location against the backdrop of mangrove swamps. "Gran Bahía Príncipe is a

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beachfront resort located … in a privileged site in the north coast of Jamaica, Runaway

Bay" (Gran Bahía Príncipe, n.d.a, para. 1). Nevertheless, government appointed

consultant Massa noted in her report that "much of the mangrove was extensively

destroyed during construction of the [Bahia Principe] hotel. The loss has significant

implications for the protection of the shoreline as well as the productivity of fisheries"

(Manning, 2006, para. 10). The media map of the property in Appendix 5 found on the

Bahia website actually depicts a vast mangrove area behind the property.

Chapter 7 – Discussion and Implications

"You can't have a successful company in a failed world"[57]

7.1. Conclusions

The role of FDI by MNCs in helping or hindering sustainable community development

has been intensely debated among academics and practitioners (see recent review by

Muthuri, Moon, & Idemudia, 2012). My argument in this paper has been that CSR's

ability to provide corporate legitimacy can sabotage its potential to drive sustainable

development. The ultimate goal of this study is to understand whether FDI in a situation

where strong sustainability is applied can contribute substantially to a host country's

sustainable development. Strong sustainability exists when economic and social

resources are not considered possible replacements for consumed ecological resources.

My findings suggest that a situation of strong sustainability is needed for the tourism

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[57] Global CEO Environics Survey 2003

industry because the physical environment (ecological resources) is the industry's

product. Without the physical environment the industry would be lost.   I use Sagebien &

Whellams' (2006) outline of CSR in development as a guide for my conclusions. In this

way, I summarize the limitations to sustainable development in the Bahia-Jamaica

context.

7.1.1.   CSR is Good Capitalism

Bahia showed that CSR was an important factor in its reputation and risk management.

Contrary to Dowling & Pfeffer's (1975) suggestion that legitimacy is a constraint on

organizational behavior (p. 126) the case showed that Bahia persistently behaved

expediently yet remained legitimate. This was because of the "social construction" of

legitimacy in the Jamaican context; meaning, in Jamaica on Carroll's pyramid model of

CSR employment opportunity takes priority over expedience (Barkmeyer, 2007, p. 9;

Visser, 2008, p. 489).   Bahia was therefore able to strategically use legitimacy as a tool

to influence (Deegan, 2002, p. 293) by "espous[ing] socially acceptable goals" (Ashford

& Gibbs, 1990, p. 180). For example, while complaining about NEPA's delaying his

company's expansion, Piñero President, Pablo Piñero "argued that some 1000 Jamaican

workers were being denied employment opportunities" (Silvera, 2008, para.8). Bahia

also used "ceremonial conformity" (Ashford & Gibbs, 1990, p. 180) to maintain its

legitimacy by engaging in CSR initiatives through its Eco Bahia Foundation. The

corporate community involvement evidenced by the education and sports programs

initiated through the semidetached Bahia foundation is a core part of Bahia Principe's

CSR program. These symbolic responses were accepted because of the context in which they occurred and ultimately masked externalities to the detriment of sustainable development (Deegan, 2002, p. 298).

Conclusion 1: Context determines the impact legitimacy management has on sustainable development.

7.1.2. CSR is Good Development

Bahia appeared to be engaged in numerous social and environmental initiatives through the Spanish Jamaica Foundation, the Jamaica Hotel and Tourist Association, its Eco Bahia Foundation and other direct community involvements. Voluntary contributions are "a gift to society" (Lyon & Maxwell, 2009, para. 5) and a "win-win" (Bohdanowicz & Zientara, 2008, p. 276) as both society and the corporation gain.

Bahia's corporate social responsibility initiatives are directed by its Eco Bahia Foundation. One of the foundation's objectives is to "join or act as a correspondent and representative of all types of societies, associations, organizations or institutes or non-profit, national and international **whose aims are similar to those of the Foundation**[58]" (Eco Bahia, n.d.). This appears to indicate that the projects carried out in host countries are decided on according to their fit in the foundation's template. As a result, this cookie-cutter approach may exclude issues that are more relevant to Jamaica's particular local context (Barkemeyer, 2007, p.13). While the foundation's general programs (for

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[58] Emphasis made by writer.

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example: turtles; coral reefs; recycling among others) are vital, identifying the underlying issues causing problems in these areas may differ,[59] thus highlighting the need for locally designed programs. Nevertheless, Gran Bahia Jamaica's involvement through various local organizations as indicated by Ferra (Jamaica Tourist, 2009) is likely to channel some of the organization's CSR resources to locally designed, context relevant projects.

Another perspective however is that corporations have a vested interest in the development and preservation of the areas where they are located and therefore tend to invest in projects similar to their host (Gentry, 1999, p.10). For example, Ferra mentioned that "the Eco Bahia department aims to help create a cleaner environment by working with local fishermen and schools" (Jamaica Tourist, 2009, p. 17); this project is similar to Jamaica's perennial clean-up campaign (Jamaica Star, 2007, para. 1; Gilchrist, 2011, para. 1). Another example is Bahia's involvement in education (see Appendix 6) which is also in line with Jamaica's constant push to enhance education. Similar projects and interests naturally should lead to a concentration of development funds in areas seen as priority in the local context thereby increasing the potential for the maximization of "spill-over effects of FDI" (Sagebien & Whellams, 2006, p. 4).

Despite its involvement in numerous initiatives, Bahia's compliance history and other reports did not support the points that CSR "decreases financial burden of regulatory enforcement" or "can introduce higher levels of performance than those required by local law" (Ibid). Regarding the latter, during the February 11, 2008 public consultation Bahia

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[59] In other words the causes of the disappearance of turtle nesting beaches, or the dying off of coral reefs may differ between Bahia's host countries so while designing a program to assist in the regeneration of turtles is undoubtedly useful, substantial action will require dealing with the root of the problem.

reps strategically avoided blame by stating that they were complying with local

regulations (NEPA, 2008, p. 55) ; what Ashforth & Gibbs (1990) called "offered

accounts" (p. 181) to protect image. The company showed no interest in trying to

address the concerns and relieve the discomfort of the community residents by raising

their standards; they were satisfied with reporting that they were in compliance with

regulations regardless of the negative impact their operations were having on society.

As already discussed, the country's precarious fiscal position forces government to

accommodate and seemingly facilitate expedience through regulatory chill. Government

here includes government agencies and public sector workers. The following examples

illustrate instances of regulatory chill in regard to Bahia.

Upon ruling that the environmental permit was unfairly granted to Bahia by NEPA and

NRCA, the judge quashed the permit for Phase 1 of the hotel but granted a stay of 21

days and later extended it. The Executive Director of NJCA pointed out that "this meant

that at no time were the developers forced to stop work in the project" (NJCA, 2008, p.

3).

The action taken by the Water Resources Authority against Bahia for its inadequately

functioning STP was to request compliance by a given date. Diana McCauley, CEO of

JET highlighted this point by saying, "[s]o that's what they required. The sewage plant

was not working but all they asked for was a compliance plan, which to my mind is far

from satisfactory" (NJCA, 2008, p. 7). The point of the lack of political will by

successive governments to impose sanctions against Bahia despite its numerous breaches was also highlighted by the NGOs (NJCA, 2008, p. 11). Governments are weary of applying sanctions to foreign investors out of fear that investors will relocate (OECD, 2002, p. 15); Pablo Piñero, mentioned that this was an option he may be forced to consider given the blocking of the permit for Phase 2 of the development (Silvera, 2008, para. 11).

Regulatory chill in Jamaica usually stems from government's reluctance to oppose MNCs, or in response to MNCs unreasonable demands for concessions which are made with threats of moving operations to another location.

Conclusion 2: The structure of industry and the dynamics of the host environment dictate the benefits the host country derives from CSR.

While CSR has the potential to drive sustainable development it is constrained by the absence of a national framework, government's lack of political will, and the absence of an enabling environment that fosters successful business. Collaboration, focus and coordination are necessary to maximize spill-over effects of CSR. Government therefore needs to design a framework within which investors agree to operate. This will ultimately concentrate efforts in specific areas and result in a big push. This will require collaboration among company's and a central committee consisting of private sector and government agents who will oversee and facilitate the process.

The government's lack of political will is the product of circumstance. Governments need to create an enabling environment that attracts foreign investors rather than be pressured to offer concessions in order to induce them. Brand Jamaica, the country's physical location and culture are distinct. Therefore, creating an enabling environment will allow government to choose the type of investor. It is for this reason why it is important to channel private developmental initiatives –especially in light of Jamaica's fiscal problems– to assist in creating an enabling business environment.

In this sense, CSR is a way that the company can enhance its political role in influencing the Jamaican government. Given the similar development goals of MNCs and developing countries (Gentry, 1999) corporations can both encourage and enhance the development of projects through collaborations on project design and implementation. Apart from deriving financial benefits, host countries also stand to benefit from cost savings through "leapfrogging"[60] as a result of the corporation's experience with implementing similar projects in other countries.

The Spanish Jamaica Foundation (SJF) appears to be an example of both corporation and government collaboration and focused (or channeled) investment in development projects. However there appears to be some divergence between the values and mission espoused by the Foundation and the mode of operations of some of the corporations (for example, Bahia and Riu) it represents. Corporations like the Bahia could therefore enhance their contribution through greater engagement with regulatory bodies; out of

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[60] "Leapfrogging … [is] the process whereby some developing countries can jump over several stages to move rapidly from standard-modern to highly-modern technologies" (Bhagavan, 2003, p. 2).

these collaborations other opportunities to gain can be found rather than resorting to expediency. Another option is for the SJF to either assist with strengthening local regulatory agencies or expand its own framework to include monitoring operations based on benchmarks to ensure local industry standards, for example the Environmental Audits for Sustainable Tourism.

7.1.3.   CSR is Bad Development

CSR is considered bad development because "business and development have conflicting agendas" (Sagebien & Whellams, 2006, p. 4). Organizations therefore view engagement in voluntary initiatives as not only an opportunity to contribute to host communities but as Dowling & Pfeffer (1975) suggest, also as a way to enhance business through CSR legitimation strategies. Former Bahia Jamaica General Manager, Daniel Ferra alluded to this connection when he pointed out that the visit of the Spanish monarchs "helped show Spanish companies not only as a major business force in Jamaica, but also as very involved in improving the lives of Jamaicans" (Jamaica Tourist, 2009, para. 13). He further said "we are very proud of all our community involvement" (Jamaica Tourist, 2009, para. 14).   As commonly seen with businesses, Bahia appears to use most of its opportunities in the media to pitch its CSR; the company's promotional websites, brochures and interviews among others indicate this. One of the corporate responsibility legitimating mechanisms Bahia employs is cause marketing; visitors are invited to participate in their turtle protection initiative by "help[ing] … [Bahia staff] to release … [newly hatched turtles] into the sea and learn more about them" (Eco Bahia, n.d.). This

strategy not only "increases the level of consumer commitment" (Smith & Alcorn, 1991, p. 31) but also fosters (and demonstrates) alignment of society's values with the organization's values (Dowling & Pfeffer, 1975, p.127). This focus on gaining society's acceptance through marketing requires projects that appeal to the audience in marketing campaigns and avoid subjects that conjure up issues that could tarnish the organization's image –such as HOJAPI's destruction of a section of the mangrove forest for the hotel construction– encourages organization's to portray themselves as faultless when recognizing imperfections is necessary to inform choice of substantive CSR initiatives (Frankental, 2001, p. 19).

The Eco Bahia website appears to play a dual role of reporting on some of the resort chain's initiatives and related achievements while also informing about the goals of the foundation. An interesting finding has been the contradictions found with Bahia's actual behavior which illustrates that such "unsubstantiated … social and environmental disclosures" are often used to influence perception (Laufer, 2001, p. 225). For example one of the goals of the foundation is "to avoid any direct or potential causes of damage [to coral reefs]" (Eco Bahia, n.d.a) but its compliance record and other external reports do not indicate the company's commitment in this regard. As stated by Lee "a lot of the implications of the sewage treatment failures [at the Bahia STP] is going to be killing our coral reefs. The three leading causes of coral death [are]: clearing of coastal ecosystems, coastal construction and sedimentation, sewage effluent and agricultural run-off" (NJCA, 2008, p. 12). Another contradicting report was that, the developers used dredging off the coast as a source of sand for creating the beach and "fishermen in the area … [reported]

that the dredge … [was] not using silt screens, which are curtains to protect siltation of the adjacent reef. Reefs are falling over in [the] vicinity of the barge" (NJCA, 2008, p. 5).

Bahia also demonstrated a willingness to engage with community stakeholders on the occasion of the public consultation of the addenda and the marine ecology report on February 11, 2008, albeit that this was a requirement for the process of the granting of environmental permits. Nevertheless despite its display of cooperation the company had previously sought to exclude the community's participation (a tenet of sustainable development) by withholding information (The Marine Ecology Report and the May 2005 Addendum to the EIA for the Bahia hotel development) that would inform community stakeholders' input regarding the development. As Maxwell (2008) stated:

> Developers in Europe now have to deal with, among other things the Arhus Convention, which legally guarantees the rights of ordinary people in the developmental process. This convention is global in its dimensions and almost certainly applies to the activities of European entities outside of Europe and therefore to the owners of the Bahía Príncipe (para. 13).

> The Convention adopts a rights-based approach. Article 1, setting out the objective of the Convention, requires parties to guarantee rights of access to information, public participation in decision-making and access to justice in environmental matters" (para. 15).

While the permit for Phase two was rescinded, recent reports that the planned expansion will in fact go ahead shows that CSR (in this case, engaging the public) is sometimes used to symbolize conformity (Ashforth & Gibbs, 1990, p. 181) in an attempt to obscure the reality that the agendas of the powerful tend to dominate over those of the less powerful, underscoring Swift's (2001) point that "asymmetries of power preclude dialogue".

Conclusion 3: CSR facilitates the avoidance of addressing key issues necessary to effectively drive sustainable development by symbolically empowering the weak while acting as the invisible hand directing the agenda of the powerful

All three examples discussed showed an ulterior motive –to a corporation's engagement in CSR– indicating that the concept of CSR has spun out of control and needs to be revamped to reflect 'only' the tenets of responsible development. While it would be unrealistic to suggest that corporations oversee the relinquishing of their own power, if CSR is to contribute to sustainable development in a substantive way communities have to be given the lead role in their own development. In this new type of development corporations will be facilitators providing resources for sustainable projects that build capacity and empower communities; paternalism and dependency can have no part of the new CSR. With communities conceptualizing and directing CSR projects there will be a separation of the conflicting business and development agendas. Corporations will gain from an increased loyalty and commitment from local workers and as a corollary an

improved work ethic; the publicity gained from capacity building projects in communities; and increased environmental stability which translates to reduced risk.

The "contracting out of social responsibility" (Muthuri et al., 2012, p.363) to a semidetached foundation is not advised. According to Muthuri et al., most MNCs tend to use several approaches to corporate community involvement and an increasing number of MNCs are looking to adopt a balanced power approach between business and community. Neither of these was the case here. Sustainable development community indicators such as education, employment, civic engagement, and environmental protection cannot be traded off. These indicators are "interdependent and overap" (Muthuri et al., 2012, p. 369). Neither can"token community investment initiatives" and "cookie-cutter" approaches (Valente, 2012, p.412-413) be adopted to hinder sustainable community development. My findings are aligned with the growing consensus that MNCs need to incorporate local community context in their plans for sustainable development (Banerjee, 2003; Hart, 2005).

The overall conclusion drawn from this research is that foreign investment can contribute substantively to the sustainable development of developing host countries regardless of the location of MNC markets based on the following inferences. It will however require change in the corporations' approach to CSR - from selfish agenda to mutually beneficial development, and government's view of CSR as a major developmental opportunity that can be harnessed.

CSR's ability to enhance a company's prospects has resulted in it being spun into webs of influence and deception, or blended to the perfect hue of green and used to mask unsustainable practices by some. This occurs because of the inherent conflict between business and development. As a result, one option to ameliorate this dilemma is to separate the two; where corporations would assume the role of facilitators (rather than administrators) and allow communities to take the lead in their own community development. It is evident from the case that there could be significant improvement in Bahia's corporate responsibility if it changed its rhetoric from primarily strategic to dialectical. However this would also require commitment (by following through on its rhetoric) potentially leading to enhanced benefits from CSR initiatives. This dialectical approach would be towards societal actors –notably monitoring agencies, neighbouring communities affected by the hotel's operations, NGOs and employees among others. An engaging or participatory approach by the company could lead to strong collaborations (between company and primary actors) that fosters corporate confidence in its societal partners and thereby encourage companies to (i) enable partners and step back as facilitators, and (ii) strengthen their commitment to community development. As Kanter (1999) stated, "companies often just throw money at the problem and walk away. The fact is, many recipients of business largesse often don't need charity; they need change" (p. 124).

Another option could be to employ an innovative approach which would require companies to incorporate community development as a part of their business models

where an enhancement strategy of business is hinged on the success of the social initiative (Hart, 2010, p. 149; Kanter, 1999). For example, by investing in the total development of their local employees Bahia would gain committed local workers who operate at the highest and most efficient level which would inevitably translate into increased business and profitability for the hotel from satisfied repeat customers (visitors) or new customers through recommendations from satisfied customers. Bahia could also invest in the development of agro-technology in Jamaica in order to enhance the quality of food available locally and reduce its own expenditure (on higher priced imported food). By adopting an innovative approach to CSR companies increase the potential for there to be not only mutual satisfaction but also mutual vulnerability; that necessary balance Swift (2001) advocates to reduce the risks associated with asymmetries of power.

These options merely scratch the surface of the benefits CSR can provide to both developing host countries and the MNC (from a company perspective). Host countries also have a part to play. Governments like Jamaica stand to gain if during negotiations with potential investors they present a mutually beneficial framework which focuses the CSR projects of foreign and local investors in order to gradually build local capacity and create an enabling environment that attracts the best investors. In addition monitoring and enforcement must be enhanced despite apprehensions of investor backlash.

Chapter 8 – Limitations and Directions for Future Research

8.1. Limitations of Study

As detailed in my reflection found in the methods chapter, I began this research with a great deal of naivety. I expected to easily obtain information with regards to the corporate social responsibility communication and strategic initiatives of resort hotels in Jamaica. In hindsight, my critical approach also posed constraints on my ability to access relevant information from the hotels that was not already public knowledge (Vaara & Tienari, 2004, p. 345). Even after changing my approach I was only able to attain information from two stakeholder groups, Northern Jamaica Conservation Authority (NJCA) and the National Environment & Planning Agency (NEPA). Why did I never hear back from the Jamaica Hotel and Tourist Association (JHTA), the Fisheries Division in the Ministry of Agriculture & Fisheries, the All Island Craft Vendors Association, the Caribbean Coastal Area Management Foundation, or the Montego Bay Marine Park? Nevertheless, validity is potentially threatened if alternative perspectives are not included in the analysis (Yin, 1989). To partially compensate for this contextual validity was strengthened by drawing on additional sources of data (Reason & Rowan, 1981).

Other limitations of my research include the following. First, some of the texts in the analysis were excerpts of conversations with Bahia Reps. Without the full conversation or speech there is the possibility to misinterpret the context in which what was said, was said. To make up for this I had to draw on other reports to support my interpretation.

In addition, the Eco Bahia website was translated from Spanish to English. While the translation was done by a native Spanish speaker, as with every translation some of the meaning from the original script may have been lost in the process.

Additionally the Eco Bahia website did not provide any specific information regarding CSR initiatives/projects in Jamaica. The site focused primarily on Latin American countries.

8.2.   Directions for Future Research

The significant role of context in trying to understand how FDI can drive sustainable development in host countries requires ongoing and comprehensive examination of different contexts especially at different stages of development. Investigating the types of incentives used by various governments and concessions requested by investors would enhance the knowledge of government negotiators exposing them to diverse approaches and their outcomes thus further equipping them to secure more beneficial agreements with MNCs.

Visser's (2008) observation regarding a country's stage of development and its priority presents an interesting area for further investigation; How much does priority impact civil society's expectations regarding social and environmental protection and preservation? This would inform NGOs in particular whether awareness campaigns are needed in order

to ensure that citizens understand their role in policing the activities of both their peers and business entities (corporations) in order to protect the environment.

While a single case study serves its purpose this research could be enhanced with comparative case studies; researchers could consider cross comparison with another hotel. The comparison could be with a foreign MNC operated brands, and to provide further insight with locally owned MNC brands such as Sandals Resorts, or Breezes Resorts.

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APPENDICES

Appendix 1

Jamaica Master Plan for Sustainable Tourism Development: Strategic Objectives

Objective	Method
"Growth based on a sustainable market position"	Growing tourism by promoting Jamaica's distinctive features while focusing on satisfying market trends "to make tourism the engine of growth for the economy" (Commonwealth Secretariat, 2002, p. 9).
"Enhancing the visitor experience"	Improving aesthetics and resolving underlying social issues in resort areas while also preserving and developing "unique and outstanding heritage assets" (p. 10).
"Community based tourism"	Enhancing visitor experience through community involvement; bottom-up approach in tourism development resulting in community ownership of the product which will instill "pride in the product offered and responsibility for the visitor experience" (p. 11).
"An inclusive industry"	Spreading the benefits of tourism within the sector and with linkage industries/sectors (p. 12).
"Environmental sustainability"	The tourism industry taking the leadership role in preserving and protecting the environment which is its product (p. 12).

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Appendix 2:   Themes of CSR Rhetoric

<div align="center">Theme description</div>

Theme	Description of themes plus exclusions or special conditions	Examples
CSR	Voluntary initiative, integrates social and environmental concerns in business operations. Mentions responsibilities	CSR; triple bottom line; socio-economic factors; collective responsibility
Sustainability	Any mention of activities aimed at balancing the fulfillment of human needs with the protection of the natural environment so that these needs can be met not only in the present, but in the indefinite future (Exception: used as a synonym for "long term")	Sustainable development; sustainability
Philanthropy	Voluntary donations, mostly through foundations to solidarity activities. These activities are considered to be different from the object of the core business	Philanthropy; solidarity activities; donations; foundations
Operationalization	Mention of how businesses are embedding CSR in their business systems, processes and structure including the development of new capabilities	Business process; systems; people skills; performance; excellence; monitoring performance; coordination with supply chain to create socially responsible products
Stakeholder dialog	Any process of communication with the stakeholders coming from the firm. Includes communication, dialog, and response	*Ensure that we are responding to our stakeholders*; commit to our *stakeholders*; talking to stakeholders
Innovation	Any process leading to new products or processes resulting from CSR policies or stakeholder engagement. Innovation mentioned in the company sustainability report	Innovation; innovative; new products
Reputation	Any mention of reputation in the sustainability report	Reputation
Strategic link	Any mention of the relation between CSR or sustainability activities and the firm's strategy	Corporate performance; stakeholder value; value proposition for both stakeholder and business; business case; *integrate our sustainability initiatives into day-to-day marketing and R&D*; *the way we do business*; doing well by doing good; *the Global Compact is part of our corporate strategy*; increase competitiveness through CSR
Governance	Any mention of the importance of the governance structure related to sustainability or CSR issues. Mention of compliance to rules or processes. Mention of ethical norms or policies	Corporate governance; compliance; code of conduct; integrity; professionalism; ethical policy
Global Standards	Certifiable or non-certifiable standards focused on increasing business accountability through reporting	GRI; AA 1000 AS; ISAE 8000; Rainforest Alliance; Fairtrade; IPIECA/API; Dow Jones Sustainability Index; FTS100; Global Compact
Citizenship	Use of the metaphor of the firm as a citizen	Citizenship

<div align="center">continued</div>

Theme	Description of themes plus exclusions or special conditions	Examples
Accountability	Any mention of a process in which the firm is held accountable by stakeholders. This also includes voluntary actions by the firm to increase its transparency and level of accountability such as: footprint measures and lobbying measures. It includes formal accountability mechanisms such as external committees	Transparency; footprint; External Review Committee; responsible lobbying; accountable; accountability
Partnership	Any mention of collaborations or partnerships other than strictly business partnerships	Collaboration between global business; social entrepreneurs; activist; governments; NGOs and civil society
Global Agenda	Any mention of issues that are dealt with by global institutions such as the UN, especially if they are included in the UN Millennium Goal. They can be considered one of the top priorities for all actors (civil society, governments and companies). Exceptions: mention of sustainability as is considered in other codes	Climate change; poverty; equity; energy needs; greenhouse gases; water; carbon emissions; UN World Diabetes Day; directly mentioning "global agenda"
Inclusivity	Mention of any activities aimed at disfavored/non-profit/non-economic stakeholders that are related to the firm's core business. Any mention of stakeholder rights	Non-traditional stakeholders and rights; *our services are increasingly accessible to all people regardless of their social or economic circumstances*; promote an inclusive society
Focus on the issue	A significant part of the statements refer to a social/environmental problem that is core to the firm's business operation or strategy	Responsible energy; universal access to communication; sustainable mobility
Social contribution	Any explicit mention of the importance of the firm contributing to social improvement, benefits to humanity or positive change	Contribution to positive change; *manage for the communities we serve*; deliver significant benefits to humanity

Reference: Castelló, I., & Lozano, J. M. 2011, p. 18

Appendix 3:   Media Map of Gran Bahía Príncipe

Reference: http://www.bahia-principe.com/en/hotels/runaway/resort-jamaica/map

Appendix 4: Texts on Gran Bahia Principe's CSR (excerpts)

Source	Text
a) Bahía Príncipe Catalogue (obtained on site in Jamaica)	The Foundation coordinates the various environmental protection programs Bahía Príncipe runs in different parts of the world.
b) Bahia Foundation website	Support for the Community Programs: Community Support; Grants to schools and institutions Our goal is to work with neighbouring towns and cities such as Tulum and Akumal Chemuyil. Therefore, in addition to programs in schools, the Foundation helps in several ways. The foundation regularly gets close to schools in the community through various programs, with the intention that they know and learn how and why it is necessary to protect our natural resources. It has also collaborated with the community by making donations of uniforms, clothing, towels, supplies, food and necessities.
c) Interview with Daniel Ferra (former GM, Gran Bahía Príncipe Jamaica) by Jamaica Tourist magazine Issue 12 (2009). p. 17.	Grupo Piñero is active in the local communities through the Jamaica Hotel and Tourist Association, Chamber of Commerce, Social Service Clubs and schools, as well as through specific education, sports and local projects that help the social development of the community. Says Ferra, "We are very proud of all our community involvement, but in particular our Eco Bahia department that aims to help create a cleaner environment by working with local fishermen and schools. We also support a local orphanage for abandoned children called 'Miss Daisy's Home', by providing clothing, food and money on a regular basis"

Full documentation for this paper will be available on request.