

# *The Communication of Corporate Social Responsibility: Asian oasis—Mythical journeys in the Hill Tribe Villages of Northern Thailand*

By Scott Michael Smith

## Introduction

Asian Oasis, founded in 2007, has extensive background in tour operations in some of the most remote, pristine and culturally rich areas in Asia. Asian Oasis owns and operates Lisu Lodge and Lanjia Lodge in northern Thailand. Lisu Lodge is situated in the beautiful Dong Lung Sri Yeh Village, 50 kilometers from Chiang Mai Province, Thailand. Lisu Lodge stands proudly as a success story of a truly integrated culturally and environmentally conscious development. Built in traditional Lisu style with an eye for Western comforts, the lodge overlooks the lush fields and hills surrounding the valley, and serves as basecamp for a blend of adventure, relaxation and cultural insight. Lisu Lodge was created to provide meaningful experiences for visitors and focuses on community development, environmental balance, cultural learning, natural discovery and adventure. A few hours' drive away is Lanjia Lodge, an eco-friendly lodge nestled on a hill overlooking the Mekong River and Laos, an hour outside of Chiang Rai, Thailand. Social responsibility is a fundamental principal of Asian Oasis, beginning in their corporate office, 500 kilometers away in Bangkok, where stakeholders' needs are considered to ensure a win-win outcome.

Kraisornsuthasinee and Swierczek (2009) explore the topic of balancing stakeholder interests in Thailand with "extra care" (p. 550) while acknowledging the progress of the corporate social responsibility movement in Thailand. Asian Oasis is often dependent on the goodwill and participation of stakeholders along the supply chain to provide meaningful experiences. Asian Oasis exemplifies good practices of responsible tourism development in Thailand. The many international awards and accolades Asian Oasis has received suggests that their business philosophy can be applied to communities globally.

Corporate citizenship and corporate sustainability are terms used to describe concepts related to corporate social responsibility in the tourism industry. Carroll (1979) is one of the first theorists to suggest that "businesses encompass the economic, legal, ethical and philanthropic (discretionary) expectations that society has of organizations at a given point in time." Carroll claims that businesses are responsible to society and should do what society expects of them. Tourism industries in general, and the accommodation sector in particular, have increasingly become sensitive to environmental concerns which are

not a consideration in Carroll's description. In the absence of a universal definition, and for the purposes of this study, corporate social responsibility (CSR) is defined as a strategic approach of incorporating economic, socio-cultural and environmental concerns into business operations and relations with stakeholders. The relationship between environmental and socio-cultural impacts of tourism have become key emerging issues facing the tourism industry in Thailand and many parts of the world. A myriad of international codes of conduct, certifications, and awards are evidence of an increased awareness regarding the importance of responsible development for tourism businesses. According to a 2006 study by the Stock Exchange of Thailand (p.2), "The principles of good corporate governance are in line with the philosophy of the sufficiency economy initiated by His Majesty the King to ensure sustainable development. The philosophy of the sufficiency economy emphasizes equilibrium and flexibility together with careful, thorough and moral application of knowledge. These are all basic concepts of good corporate governance."

Many socially responsible practices in Thailand can be linked to the principles of the sufficiency economy introduced by the late King Bhumibol Adulyadej (Kantabutra, 2007). The Thai royal family undertakes numerous development projects to alleviate poverty, improve education, preserve the environment and support traditional culture (i.e. Thai silk, arts, and etc.). These royal projects are examples of social responsibility at a local level, and aid in the understanding and acceptance of corporate social responsibility and community-based tourism concepts by the citizens and business leaders of the small communities throughout Thailand.

Boonratana (2010) researched characteristics of community-based

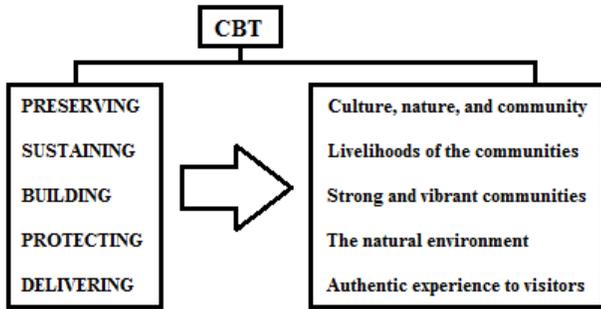


Source: Created by the author for the purpose of this study

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**Table 1**

**Pillars of Community-based Tourism (CBT)**



tourism as it pertains to Thailand and proposed an operational terminology, stating, “Community-based tourism is thus defined as economically, environmentally, socially, and culturally responsible visitation to local/ indigenous communities to enjoy and appreciate their cultural and natural heritage, whose tourism resources, products, and services are developed and managed with their active participation, and whose benefits from tourism, tangible or otherwise, are collectively enjoyed by the communities (p. 287).” Asian Oasis was built on pillars that form the foundation for their community-based tourism development.

***Preserving culture, traditions, nature and community***

Lisu Lodge works with the community and the traveler throughout the visitor experience to ensure a harmonious experience for the traveler and the community. Having the villagers show their community to the guests and interacting with them through the entire stay ensures a better understanding and appreciation between travelers and the community. Lisu Lodge aims to conserve the natural heritage of hill tribes of northern Thailand. The programs are designed to engage travelers in meaningful and facilitated exchanges with Thailand’s hill-tribe communities and to foster an understanding of the natural environment and the way of life of the Hmong and Lahu hill tribes. The largest local collection of books relating to the hill-tribe communities is located in the Lisu Lodge library. Travelers are encouraged to research their destinations and learn more about the fascinating culture of the Akha, Lahu and Lisu hill tribes.

The lodges have incorporated many design features that reflect the rich traditions of the hill-tribe communities, in which they are located. Lisu Lodge works with the community to revive traditional hill-tribe traditions (i.e. silversmith, embroidery, dance and shamanism). A special guest activity has helped to revive the lost art of batik-making by the villagers, which has since evolved into a small social enterprise that has created additional income, as many of the villagers participate in the production and sales of these beautiful fabrics.

***Sustaining the livelihoods of the communities***

Asian Oasis does not aspire to turn Kiew Karn Village into a tourism destination where every corner has souvenir shops with villagers eagerly looking to gain from the tourist. The idea is to help them sustain their village or community life in a holistic way. Each villager should engage in their work as they see fit. The lodges provide the villagers with the opportunities to benefit from tourism development, but it is the community that needs to determine its own path. Travelers are introduced to a wonderfully unique and culturally rich community without disturbing the daily lives of the hill-tribe people. Many of the hill-tribe women earn extra income by sewing and handicraft production, and now Dton Loong Village is the largest local supplier and exporter of Hmong and Lahu handicrafts in the region.

Lisu Lodge contributes a percentage of sales revenue to the village bank. The disbursement of those funds is entirely the decision of the hill-tribe community. The village bank is at the core of Asian Oasis’s community development efforts. These funds are used to improve infrastructure, provide healthcare, education and micro-loans and support local festivals such as the annual New Year celebrations. Income is also generated for the communities through hiring locals for all activities, including a village guide, shaman for tea services and a trekking guide. The Lisu Lodge directly contributes to the economic development of the village by employing 100% of their staff from the surrounding communities.

***Building strong and vibrant communities***

Asian Oasis’s philosophy facilitates interactions between guests and villagers. The guides are local villagers who have grown up in the area. The hosts and team members at the lodges are proud Hmong and Lahu villagers. They will take care of visitors and all activities at the lodge during a traveler’s stay. Contributions from visitors are used for community projects that improve the living conditions of the local hill tribe. The village council meets regularly to discuss issues important to them. Representatives from Asian Oasis attend, advise and observe all meetings but do not vote on village issues. Regular health checks are provided for all members of the community and vaccinations are sponsored by the lodge. In addition to complying with all applicable labor laws in Thailand, contributions are made to employee’s social security funds. The village’s main source of income has traditionally been from agricultural production. Asian Oasis ensures all staff have time away from work to assist their families with the harvests. It has always been important for Asian Oasis to create an environment conducive to the needs of the local community and the business. Patience, perseverance, skillful facilitation and a deep commitment to social and environmental sustainability has resulted in a strong relationship with the community.

## *Protecting the environment*

Asian Oasis founded the Himmapan Foundation, providing education and training to travelers and the community concerning the protection of the environment and the importance of reforestation of these fragile environments. Environmental responsibility includes the conservation and preservation of natural resources. The Earth Care initiatives are designed by Asian Oasis to engage travelers in meaningful and facilitated exchanges with Thailand's hill-tribe communities and to foster an understanding of the natural environment and ways of life of the Hmong and Lahu hill tribes. Earth Care focuses on immersion, action, two-way communication and self-discovery. Learning about the environment and Thailand's hill-tribe culture can create a new awareness for visitors. Earth Care is a unique learning program that combines awareness of environmental responsibility, conservation, community issues, self-development and discovery.

Tour guides brief each traveler, before their adventure begins, regarding the culture, communities and activities they will be experiencing. Particular attention to the conservation of resources and the preservation of the environment and culture is emphasized throughout the visitor experience. The traveler is encouraged throughout their experience to take steps to protect and improve the natural environment. Activities are of low energy consumption and include biking, whitewater rafting and tree cultivation.

## *Delivering authentic experiences to visitors*

Asian Oasis does not just sell room nights, but a complete traveler's experience. Projects are living ventures, changing and developing all the time. The lodges market their experiences to responsible tourists and would not appeal to a traveler that does not have an appreciation for community-based tourism. Travel agents, suppliers and wholesalers understand that the experiences are designed and delivered with an emphasis on the preservation and appreciation of natural resources and a deep respect for the Hmong and Lahu communities. The hill tribes participate in all aspects of delivering this unique experience, which is sure to leave the traveler with a greater understanding of, and appreciation for, these unique communities. The lodges work directly with the Akha, Lahu and Lisu hill-tribe communities to design traveler experiences that adhere to the principles of community-based tourism development.

## *Management Dilemmas*

When considering CSR and discretionary contributions to stakeholders, the question that challenges senior managers is often "how much is too much?" Imagine the employee that continually sees their company contributing to local communities rather than increase their salary. Friedman's (1970) article *The Social Responsibility of Business is to Increase its Profits* presents the argument that corporations have no social responsibility, explaining the primary responsibility is to maximize their return on investment (ROI) to the stockholders. Perhaps the debate starts here,

"There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game," (Friedman, 1970, p. 122). Friedman's view that corporations only exist to make a profit deserves scrutiny. Measuring profits solely as a financial return on a financial investment ignores the many ways to consider profit. Asian Oasis executive director and founder contradicts Friedman's advice, stating, "Yes, we are a business. We eventually want to make money but the profits that we make are shared with the community and the environment. Every part of our business is about doing good. It's a sustainable tourism business model. It's giving back to the community, to the employees and to the suppliers. The lodges were created to provide meaningful experiences for our customers while focusing on community development, environmental balance, cultural learning, natural discovery and adventure," (Phattaraprasit, 2013). The idea that businesses have no social responsibility, only people have social responsibilities merits further reflection. The commitment of resources is a popular topic for debate among managers when considering social responsibility initiatives.

A new dilemma concerning animal rights is a challenge to management as they strive to deliver authentic experiences to visitors. Many visitors to Thailand are interested in seeing the famous Thai elephants while they are in the kingdom and would like to ride the elephants. Asian Oasis ceased offering elephant rides to guests many years ago and strives to protect these majestic animals. The elephants involved in tourist rides are often mistreated and many times visitors have been injured when the elephants reach the point of exhaustion or become irritable. Reputable tour operators have since joined Asian Oasis to advocate on behalf of the elephants and offer tours of elephant sanctuaries that do not offer elephant rides. Providing elephant rides in response to visitor demands is a challenge for tour operators. Asian Oasis suggests visitors experience elephants at selected sanctuaries that have been vetted by their company. Still, some visitors insist in partaking in the elephant rides offered by various elephant camps in the vicinity of Asian Oasis's lodges. Asian Oasis is concerned with the unsustainable business practices of many of these camps that are encroaching on government land (national parks), mistreating elephants or damaging the environment in a myriad of ways. Balancing the protection of the elephants while accommodating visitor requests for elephant rides is a challenge that is worthy of further reflection and research. The rising number of fatal accidents involving tamed elephants has risen dramatically over the last years, clearly indicating that something is wrong with the system. Elephants get more and more stressed out by long working hours, overexposure or physical mistreatment. They even die younger in captivity, due to the often not only unnatural, but even harmful environment they are exposed to.

There is another side to this debate. Tourism revenue provides these elephants with access to funding for medical care, food and habi-

tat. There are not enough tracts of unbroken elephant habitat remaining in Thailand to support the present elephant population. Releasing all captive elephants into the wild, as many animal welfare groups have supported, would be disastrous to their well-being. One group of stakeholders (international tour operators) is pressuring other groups (local community and tour operators) to eliminate elephant attractions in communities that have been living and working with elephants for centuries. The elephant is a cultural and religious symbol for many Asian communities and plays an integral role not only in society but also in religious ceremonies and festivals. For this reason, more and more agents in Thailand are taking elephant shows and elephant riding out of their tour programs and replacing it with more sustainable alternatives such as visiting elephant sanctuaries or elephant hospitals.

## Conclusion

For Asian Oasis, each stakeholder contributes resources in a variety of ways and receives different costs and benefits that are cultural, social, environmental and economic. The community invests their time, shares their culture, and receives benefits including, but not limited to, increased cultural understanding and employment. The owners' initial financial investment and return on investment considers more than just their bank balance. Environmental benefits such as the conservation of resources contribute to sustainable development and protect the natural resources precious to the global community.

For Asian Oasis, each mythical journey is planned as a complete experience; adventurous, educational and comfortable for the traveler. It is intended to minimize negative socio-cultural, economic and environmental impacts to the community. A commitment to corporate social responsibility by tourism operators is essential to successful community based tourism development. Preserving culture, traditions, nature and community, sustaining the livelihoods of the communities, building strong and vibrant communities, protecting the natural environment and delivering authentic experiences to visitors is the foundation for their development.

Asian Oasis promises their guests a complete experience with an attention to detail that is sure to create memories that will last a lifetime. They also promise the communities where they operate that the company will help them with their community development and the co-creation of a traveler experience, which aims to promote their culture and protect their environment. Asian Oasis delivers on that promise.

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