Baseline Survey Report

On Corporate Social Responsibility (CSR) Practices in Tourism Sector in Lao PDR

Investment Promotion Department
Ministry of Planning and Investment
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Executive Summary

This CSR baseline study on the tourism sector in Lao PDR comes at an opportune time as the country moves forward in achieving the Sustainable Development Goals. Building on a previous report on CSR awareness in tourism sector in Lao PDR, this study focuses on the CSR commitment and operationalization aspect of tourism businesses as well as the challenges they face in implementing CSR and mainstreaming it into their core businesses.

The global economic impact of travel and tourism is tremendous. The sector contributed to 10.4 percent of global GDP and generated 313 million jobs, representing 9.9 percent [1] of the global employment. As for Lao PDR, the total contribution to the national GDP from tourism and related sectors was about USD 2 billion accounting for 13.7% of the total GDP. The United Nations' World Travel and Tourism Council's 2019 report stated that Lao Tourism Sector created more than 114,000 jobs. This is expected to increase to 121,000 jobs by 2028 representing 3% of the Lao total employment. This highlights the vital roles the sector plays in the Lao economy as well as vital impacts it has on creating more job opportunities and income for agriculture and handicrafts sectors as well as accelerating infrastructure improvement including roads, airports, railways, hotels, restaurants, and tourist sites. Hence CSR can play a crucial role in the tourism sector.

When Laos confirmed its first case of Covid-19 on March 24, the country went into a full lockdown by March 30 and easing the lockdown in June but its impacts on Lao economy is inevitable. Unemployment rate rose to 25% [2] . An internal report of the Department of Tourism Marketing, Ministry of Information, Culture, and Tourism showed that international visitor numbers have fallen from 2,228,459 in January to June 2019, to 886,447 in the first six months of this year. Although the situation on Covid-19 is not improving around the globe and its impacts on tourism will continue into the foreseeable future, this report could serve two purposes: (i) as a future reference when the country gets back to normal and (ii) using this report as a guide to organize training and planning for the CSR activities and perhaps a good use of CSR funding to help relieve burdens for the vulnerable groups (e.g. new skill trainings for job alternatives, home garden, hygiene facility at school, etc.).

This study categorizes the findings into three business ownership types: (1) local-owned business, (2) joint-venture business and (3) foreign-owned business to understand at a deeper level on how each business type performs in relation to CSR engagement. This disaggregation provides a more informed view for policymakers to channel resources to.

Even though the level of CSR awareness among tourism businesses is relatively high, the study finds that CSR has not yet been treated as key part of business thinking across all business ownership types. Many of them still practice CSR as an altruistic approach responding to the needs of the community on an ad-hoc basis. In terms of CSR activities, their resources are spread quite thin across social and cultural events, improving livelihood opportunities, conservation efforts through tree planting, and donating to school renovation projects.

In terms of the CSR commitment, many businesses still do not set a strong tone from the top leadership management. Even though CSR is mentioned verbally by businesses as crucial, none of them have appointed a full-time CSR officer to lead the cause. Even among foreign-owned businesses, which are assumed to have performed CSR relatively well in comparison to local-owned enterprises, CSR engagement is seen as internal policy compliance from headquarters rather than proactive engagement with the local community.

[1] UN World Travel and Tourism Council Report 2018
[2] Ministry of Labour and Social Welfare Report to Vientiane Times

This unstructured approach to CSR by tourism businesses is attributed to unclear macro-policy, limited understanding of CSR coupled with limited exposure to CSR practices of the business management, and shortage of funding among others. On the other hand, it is uplifting to learn that businesses are willing to engage in CSR if there are proper guidelines for them to follow and resources for them to tap into.

Apart from examining the commitment of CSR towards the Lao community, this study also looks at their internal processes and treatments towards employees, customers and suppliers. It is promising to see the consistent and firm commitment of management towards enhancing the livelihood of their employees and providing excellent services to their customers while engaging suppliers and driving them towards sustainable tourism.

Overall, this baseline study is a critical document to understand the current status of CSR in tourism sector that is a key sector to the socio-economic development of the country. With the identified gaps, potential resources can be harnessed to effectively respond to the real needs of tourism businesses.

1. Introduction

1.1 Background Context

The country is striving to graduate from the status of Least Development Country by 2024 and meeting the global 2030 Agenda for Sustainable Development. This requires commitment from all sectors, especially the private sector. For this, the role of Corporate Social Responsibility (CSR) is gaining more critical attention[3,4] due to the vision and outlook of sustainability development of the country.

The global economic impact of travel and tourism is tremendous, the sector contributed to 10.4 percent of global GDP and 313 million jobs, representing 9.9 percent of the global employment[5]. As for Lao PDR, the total contribution to the national GDP from tourism and related sectors was about USD 2 billion accounting for 13.7% of the total GDP[6]. The United Nations' World Travel and Tourism Council's 2019 report stated that Lao Tourism Sector contributed to 114,000 job creations and expected to increase to 121,000 jobs by 2028 representing 3% of the Lao total employment. This is an affirmative that the sector is surely has vital impacts on creating more job opportunities and income for agriculture and handicrafts sectors as well as accelerating the infrastructure improvement including roads, airports, railways, hotels, restaurants, and tourist sites hence CSR is crucial to be implemented in the tourism sector.

The Poverty Environment Action for Sustainable Development Goals (PEA) Lao PDR has the main objective to strengthen the government's regulatory capacity to coordinate and promote higher quality investment, improving the business environment, transparency, accountability, and effectiveness of investment management in order to achieve the Sustainable Development Goals in Lao PDR. This led to the need for good CSR initiative with a proper report on private sector's contribution towards the society and to encourage companies in tourism sector to care more about the impacts tourism development on their stakeholders.

The increasing social expectation towards achieving sustainable tourism pushes tourism businesses to adopt and re-adjust their CSR strategies. These strategies could include environmental protection, fair working conditions for employees and contributing to the welfare of local communities as key aspects to work with. By implementing the mentioned initiatives, firm's contribution to solving social and environmental challenges could be more visible, systematic, and inclusive especially on the efforts of poverty reduction and natural environment conservation[7].

CSR in tourism can be referred to as a guiding business policy whereby tourism companies integrate social and environmental concerns in their own business mission, strategies and operations as well as in their interaction with their stakeholders. Forms and approaches to CSR have evolved over the years. Today, it is often seen as a multi-stakeholder approach where stakeholders are not only receivers but also partners for realizing and implementing CSR strategies.

In Lao PDR, the concept of CSR is still nascent with limited understanding among the private sector. The first CSR assessment in Lao PDR was conducted in 2008 as part of three CSR small-scale surveys conducted in 2008, 2010 and 2013 respectively. In between, a cross-country report conducted by The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Asian Institute of Management in 2011 (AIM 2011). The latest CSR baseline on different sectors in the country was conducted by GIZ in 2015, which covered coffee, tea, tourism, transportation and logistics, hydropower and mining.

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[3] 8th NSEDP (2016 – 2020) of Lao PDR
[4] Voluntary National Review for Sustainable Development: Lao PDR, July 2018.
[5] The United Nations' World Travel and Tourism Council's 2018 report
[6] The United Nations' World Travel and Tourism Council's 2018 report
[7] Lund -Durlacher, Dagmar (2015).

According to the CSR baseline report by GIZ in 2015, general awareness about CSR issues within the Lao tourism sector is relatively high compared to other sectors. This is partly due to the consumer demand for green products and services and stakeholder pressure from international parent companies. The Government pressure to align the industry with its tourism strategies is also a factor.

Drawing on the previous findings in the GIZ report in 2015, this baseline study looks deeper into the operations and provides contextual understanding of the enablers and barriers that impact the tourism businesses in Lao PDR practicing CSR. In addition, it also infuses the concepts of the 2030 Agenda for Sustainable Development into future CSR strategies. In this regard, this baseline study is timely and opportune as it also brings out the concerns that tourism businesses have been facing in relation to COVID-19.

1.2 Objective

The objective of this CSR baseline study in tourism sector in Lao PDR is twofold. First, it is supporting part of the overall objective of the Lao PDR Poverty-Environment Action (PEA) project to strengthen coordination of the government's regulatory capacity to coordinate and promote higher quality investment for achieving the sustainable development goals in Lao PDR. Since tourism is one of the key investment sectors that has gained popularity among both local and international investors, it is important to examine the CSR practices to ensure sustainable tourism that can continue to fuel the socio-economic development of Lao PDR.

Second, this baseline study hopes to provide an overview of CSR practices in the tourism businesses in Lao PDR and sheds light on CSR areas that the government can provide support to businesses. Through this, it hopes to lead to constructive and useful dialogues between key stakeholders that can bring about conducive investment environment for tourism businesses while moving towards sustainable tourism that takes into consideration the current and future economic, social and environmental impacts.

2. Methodology

2.1 Approaches and Methods

The baseline study on CSR practices in tourism sector was conducted using secondary and primary data collection methodologies-(i) the desk review and (ii) survey. The survey was carried out as a descriptive and exploratory approach to form semi-structured in-depth interview, and key informant interview.

Desk Review: The desk review was conducted by researching existing studies and programs carried out by other organizations to understand the current framework, policies, and activities relevant to CSR in Lao PDR. The PEA project document, draft CSR reporting tool were also part of the reviews.

General Research Principle:

- International Code of Conduct: The respondent's anonymity is strictly preserved. The respondent was informed about whom the information would be supplied and the purposes for which it will be used.
- Confidentiality: All information gathered from the baseline survey will be kept confidential and as property of the IPD and PEA and will not be shared with any third party without prior consent.
- Ethical Issues: In all data collection activities, respondents were verbally informed of the purpose of the study and the requirements and expectations of potential participants. All potential interviewees

were assured that their participation is voluntary and that they will not be penalized if they do not participate. They were also informed that they are free to skip any questions, terminate the interview at any time.

Qualitative Survey Methodology: The survey used two sets of questionnaires to facilitate the data collection process. The first set of questionnaires was used for the tourism and hospitality businesses and the second set was used for the other key stakeholders such as INGOs, International organizations, Not-for-Profit organizations and so on. The questionnaire sets can be found in Annex 1.

2.2 Sampling

Selection Method

This baseline study used purposeful sampling method[8]. The list of businesses for the survey samples selection was obtained from (1) IPD for the concession investment companies and (2) from the tourism business permits database of Ministry of Information, Culture and Tourism (MICT).

Table 1: Data Sources for the List of Companies

Source	Total no. of Companies	Most Relevant Samples	Sample Selected	Sample Rate
IPD, MPI	78	36	33	92%
General (MICT)	539	44	36	81%

Table 2: Samples List

Province	No. of selected samples	List from IPD	List from MICT	Personal Contact
Vientiane Capital (VTE)	21	12	2	7
Vientiane Province	35	5	30	
Luang Prabang	26	16	4	6
Other key stakeholders (VTE)	10			10
Total	92	33	36	23

[8] According to Patton (2015, p. 265), purposeful sampling method is defined as the strategic selection of information-rich cases that by their "nature and substance will illuminate the inquiry question being investigated" to increase the representation of the samples

13 additional companies and 10 other key stakeholders were added into the list of samples to ensure better coverage of data collection and broadening stakeholder consultation, making a total of 92 potential respondents to reach out for the survey.

The samplings were selected based on the following criterion:

- Location (3): Vientiane Capital, Vientiane Province, Luang Prabang Province
- Registered Capital: Must be more than 400 million LAK
- Number of staff: Must be more than or equal to 8 staffs
- Business Ownership Representation: Lao owner 85%, Foreign and Joint Venture 15%

Conditions for sample replacement: The sample replacement was done under the following circumstance to ensure a good representation of data and case study:

- Invalid contact detail
- Company closed down/bankruptcy
- Decline to answer

2.3 Instrument Development

The questionnaires developed were based on key CSR indicators, Carrol's CSR Pyramid and the UN Global Compact Principles. The survey instrument emphasized the qualitative method data collection resulting in the utilization of the structured and key informant interviews. Two sets of questionnaires were developed to accommodate different target groups: (1) for the tourism and hospitality companies and (2) for the other key stakeholders. See further in Annex 1 for the survey questionnaires.

2.4 Data Analysis

Collected data were entered into an excel spreadsheet corresponding to the questionnaire sequences. Data were then analyzed to quantify and summarize the key findings. Data were categorized in accordance to the business investment types: (1) local-owned business, (2) foreign-owned business and (3) joint venture as well as formal and informal CSR policy and activity implementation (infused or adopted).

2.5 Limitations

The survey was conducted during July 20 to Aug 8, 2020. The survey was carried out later than anticipated in the workplan due to:

(a) difficulty in contacting and scheduling the meeting with the respondents.

(b) closed down of tour operators, restaurant and hotel due to Covid-19.

(c) foreign/management staff returned home due to Covid-19.

(d) the wait for forms to be filled and returned (depending on the preference of the respondents).

(e) Face to face interview in the provinces were conducted in week 1 of August, 2020.

Due to also time and covid-19 constraints, the survey could only cover some of the CSR aspects and a number of the companies only.

3. Findings

3.1 Desk Review

3.1.1 Policy and Legal Framework

The legal provisions in Lao PDR are categorised into (1) national, (2) regional and (3) international. Even though the national policies and regulations do not explicitly state the need for integrating CSR in the tourism business sector, the principles of sustainable tourism are clearly embedded in all of these documents.

Table 3: legal provisions of tourism in Lao PDR

Category	Provisions
National	■ Law on Tourism (2013) ■ Lao PDR Tourism Strategy 2006 – 2020 ■ Strategy on Tourism Development Promotion of the Lao PDR 2012 – 2020 ■ Green Growth Strategy to 2030 ■ 8th NSEDP 2016-2020 ■ Lao Standard Industrial Classification
Regional	■ ASEAN Tourism Standards (2016) ■ ASEAN Mutual Recognition Arrangements on Tourism Professionals (2013) ■ The ASEAN Tourism Association (ASEANTA) ■ The ASEAN Socio-Cultural Community blueprint (2015)
International	■ UN Global Code of Ethics for Responsible Tourism (1999) ■ Sustainable Tourism Certification Schemes ■ International Organisation of Standardisation: Standards for Tourism and Related Services (2006) ■ Green Globe Certification Standard (2014) ■ UNESCO World Heritage Convention (1972) ■ ISO 14002:1 on Environmental Management

Promoting Corporate Social Responsibility is stated under the ASEAN Socio-Cultural Community blueprint, as an integral strategy in ensuring sustainable and inclusive socio-economic development in ASEAN. However, Lao PDR has only one UN Global Compact (UNGC) signatory and is not a member of UNGC network.

The following information shows the status of CSR in ASEAN, UNGC 2016:

Countries	Member of ASEAN CSR network	Number of UNGC business signatories	Number of UNGC signatories	Member of UNGC network
Brunei Darussalam	No	0	1	No
Cambodia	No	3	4	No
Indonesia	Yes	47	122	Yes
Lao PDR	No	0	1[9]	No
Malaysia	Yes	32	47	Yes
Myanmar	Yes	308	317	Yes
Philippines	Yes	13	56	Yes
Singapore	Yes	49	64	Yes
Thailand	Yes	59	68	Yes
Vietnam	Yes	25	76	Yes

Although the national regulations and strategies on tourism sector mentioned about some aspects that linked to UNGC, **the direct statement on promotion of corporate social responsibility and the roles and responsibilities of the business sector towards the society and the environment are not explicitly emphasized.** Section 8 of the Law on Tourism mentions about businesses' and individual's conducts in respecting and protecting Lao culture, traditions, and the environment as well as prohibitions on human trafficking, prostitution, sexual harassment, child-sexual abuse, labor extort, child-labor, gambling, sexual abuse. The Lao Tourism Strategy 2006 -2020 promotes participatory eco-tourism harmonizing with the communities especially ethnic villages residing near the protected forests, caves, rivers and well-known tourism sites in order to conserve natural habitats, good customs and promote employment and income generation. The 8th NSEDP stated that development of tourism should be based on the application of natural, cultural and historic inheritance potential in an effective and sustainable manner through participation of the people. The Lao Standard Industrial Classification still has limited category and under revision.

[9] The signatory was made by AustCham Laos.

3.1.2 CSR Definitions and Indicators

Corporate Social Responsibility in tourism can be referred to as a guiding business policy whereby tourism companies integrate social and environmental concerns in their own business mission, strategies and operations as well as in their interaction with their stakeholders[10]. Forms and approaches to CSR have evolved over the years. Today, it is often seen as a multi-stakeholder approach where stakeholders are not only receivers but also partners for realizing and implementing CSR strategies.

The critical success factors in CSR reporting and implementation in any organization is guided by the Stakeholder Theory[11]. Freeman (1984) defines a stakeholder as "any group or individual who can affect or is affected by the achievement of the firm's objectives".

The concept of Stakeholder Theory evolves to cover more than just internal stakeholders within the organization. The aim of CSR in tourism sector is to encourage the business operators to move towards sustainable tourism. Organizations have defined the term "sustainable tourism" differently. However, the principle underpinning it all is broadly on achieving the balance between (1) economic, (2) social and (3) environment development, which echo the global 2030 Agenda for Sustainable Development. Various definitions are shown below.

Table 4: Definitions of Sustainable Tourism

WTO (1993; p. 7)
Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future.

UNWTO (2015)
Tourism that respects both local people and the traveller, cultural heritage and the environment.

UNWTO (2015)
Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future.

VISIT SCOTLAND (2015)
Sustainable tourism is tourism committed to generating a low impact on the surrounding environment and community by acting responsibly while generating income and employment for the local economy and aiding social cohesion.

SWARBROOKE (1999; p. 13)
Tourism which is economically viable but does not destroy the resources on which the future of tourism will depend, most notably the physical environment and the social fabric of the host community.

[11] Andrew C. Wicks, R. Edward Freeman, Jeffrey S Harrison (2010): Stakeholder Theory: The State of the Art.
[10] Lund-Durlacher, Dagmar (2015): Corporate Social Responsibility and Tourism. In: Education for Sustainability in Tourism - A Handbook of Processes, Resources, and Strategies. Moscardo, P. & Benckendorff, G. (eds.). Berlin: Springer, p. 59-73

Barriers for adopting sustainable tourism business model could be summarised as: (1) limited capacity and knowledge on the subject, (2) weak enabling environment, (3) limited local leadership to push the agenda forward and (4) unorganized benefit sharing scheme which lead to unsustainable tourism. See Table 5 below.

Table 5: Barriers to Tourist Businesses in Adopting Sustainable Tourism

Barriers	Explanations
Limited capacity	▪ Lack of awareness of negative tourism impacts ▪ False expectations of positive tourism impact ▪ Limited knowledge of tourist markets ▪ Poor understanding of tourism systems ▪ Poor or no formal tourism planning ▪ Limited Tourism Management curriculum offer
Weak governance	▪ Lack of clear law ▪ Lack of effective regulations and law implementations ▪ Weak enabling environment to promote sustainable tourism
Limited citizen involvement in tourism governance	▪ Ineffective or no attempts to organise or coordinate community stakeholders ▪ External agents dominate ▪ Limited local leadership in tourism
Unsustainable tourism	▪ Community conflict over tourism as the lack of systematic benefit sharing scheme with win-win model. ▪ Extensive negative tourism impacts ▪ Limited tourism benefits ▪ Failure of tourism business ▪ Volatile to seasons and natural disaster e.g. flood, drought, Covid-19.

Source: Modified by Author from Moscardo, 2011

Table 6 summarises the critical factors for CSR reporting in private sector which can be seen that the implementation of the CSR program requires multi-stakeholder support i.e. internal and external buy-ins. The company needs to embed the CSR into a core business strategy where top management and employees actively support the implementation as a change agent attitude. In addition, the company may need to work closely with the government, not-for-profit organizations, civil societies to ensure a greater impact on the CSR activities.

Table 6: Critical Success Factors for CSR Reporting

Critical Success Factor	Organizational resources	Internal support	External support
Integrating CSR with functional strategies	X		
Organizational ability to management stakeholder groups	X		
Ability to evaluate CSR benefits	X		
Top management support	X		
Ensuring values and vision of CSR approach are integrated into organizational culture		X	
Openness to learning, improvement and innovation		X	
Employee involvement in developing and implementing CSR programmes, activities and initiatives		X	
Sharing experience, learning from and with peers		X	
Government support			X
NGO support			X
Society support			X

Source: Modified by Author from Sangle, 2010; p. 210

Table 7 lists the key stakeholders in tourism sector for the businesses to consider managing when operating a business.

Table 7: Key Stakeholders in Tourism Business

No	Stakeholders in the sustainable tourism organization
1	Employees
2	Experts (i.e. consultants, academics)
3	Tourists
4	Media

5	Pressure/lobby groups (i.e. environment, wildlife, human rights, workers' rights)
6	Non-governmental organizations
7	Tourism industry (i.e. tour operators, travel agencies, visitor attractions, transport operators, hospitality industry, other tourism related infrastructure)
8	Governmental bodies (i.e. supra-governmental body such as UN, central and local governments)
9	Host community (i.e. local residents, local business people, CSOs)

Source: Modified by Author from Swarbrooke, 2005; p. 17

Table 8 provides a list of comprehensive reporting indicators used by the Global Reporting Initiative where some of the aspects have already been implemented in the Lao business environment such as customer privacy, non-discrimination, indigenous rights, child labour, and labour management.

Table 8: Top 10 Global Reporting Initiatives by Travel and Tourism sector

No	Global Reporting Initiative	Descriptions
1	Customer privacy	GRI 418 is the social topic series about management approach disclosures concerning breaches of customer privacy and losses of customer data.
2	Security practices	GRI 410 addresses the topic of security practices. It focuses on the conduct of security personnel towards third parties, and the potential risk for excessive use of force or other violations of human rights.
3	Non-discrimination	GRI 406 addresses the topic of non-discrimination whereas discrimination here is defined as the act and the result of treating people unequally instead of treating each person fairly on the basis of individual merit.
4	Indigenous rights	GRI 411 on management approach for the rights of indigenous people.
5	Public policy	GRI 415 is about an organization can positively support the public political process and encourage the development of public policy that benefits society at large. On the other hand, this can also incur corruption, bribery, and undue influence.

6	Child labour	GRI 408 discloses the information on operations and suppliers considered to have high risks for incidents of child labour or young workers expose to hazardous work as well as measures taken by the organization to eliminate child labour.
7	Labour/management relations	GRI 402 covers an organization's consultative practices with employees and their representatives, including its approach to communicating significant operational changes.
8	Remediation	Remediation is about correcting and compensating the impacts caused by the organization especially on environmental or social damage.
9	Compliance	GRI 307 on environmental compliances to ensure sustainable ecological system.
10	Customer health and safety	GRI 416 on health and safety impacts of product and services.

Source: https://www.3blmedia.com/News/Top-10-GRI-Sustainability-Aspects-Travel-Tourism-Sector

The assessment report conducted by GIZ in 2015 stated that the problems of CSR in the tourism sector in the country is multifaceted and requires transformations at both the macro and micro levels. This is summarised in Table 9 below.

Table 9: CSR Issues in Tourism Sector in Lao PDR

CSR Issues: Environment

- Pollution - runoff into waterways, generation of solid waste and carbon emissions
- Land degradation / habitat clearance, encroachment on protected areas and impacts on biodiversity
- Resource use - water, energy and raw materials
- Visual amenity - poor site-planning of some tourism developments has resulted in visual impacts for surrounding environments
- Noise pollution – population influx can create negative noise impacts for local residents

CSR Issues: Social

- Community health and safety issues (tourist safety, sex tourism, illicit substance sale & use, gambling and related social issues)
- Labour (worker conditions, local / ethnic staff, foreign workers)
- Cultural impacts (watering down of cultural values; tourist disregard for cultural values)
- Supporting infrastructure
- Flow down benefits to communities
- Employment creation and skill development

CSR Issues: Economic

- Respect for property rights
- Price exploitation for local goods and services
- Fair competition and corruption

3.1.3 Key Statistics

The number of tourists coming to Lao PDR over the past years has increased significantly with the regional shift from ASEAN, Europe and Americas to the Asia Pacific, especially China. However, in terms of absolute figures, tourists from ASEAN still forms the major portion. In 2019, there were 4.58 million tourists coming to Lao PDR[12].

[12] ASEAN Travel, http://asean.travel/2020/01/28/Lao PDR-recorded-tourism-growth-in-2019/

Table 10: Key Tourist Information in Lao PDR

Year	No. of Tourist Arrivals	% change	Average length of stay (Days) for Int. Tourists	Average length of stay (Days) for Regional Tourists	Average length of stay (Days) for Total Tourist	Revenue from Tourism (USD)
2010	2,513,028	25.0	7.0	2.0	4.5	381,669,031
2011	2,723,564	8.0	7.0	2.0	4.5	406,184,338
2012	3,3330,072	22.3	7.2	2.0	4.6	506,022,586
2013	3,779,490	13.0	8.4	2.0	5.2	595,909,127
2014	4,158,719	10.0	7.9	2.0	4.9	641,636,543
2015	4,684,429	13.0	7.5	2.0	4.8	725,365,681
2016	4,239,047	-10.0	7.5	2.0	4.8	724,191,957
2017	3,868,838	-8.7	8.3	2.0	5.2	648,067,008
2018	4,186,432	8.2	7.9	2.0	5.0	811,010,661

Source: Statistical Report on Tourism in Lao PDR, 2018

Table 11: Visitor Arrivals by Region

Region	2012	2013	2014	2015	2016	2017	2018
ASEAN	2,712,478	3,041,233	3,224,080	3,588,538	3,083,383	2,747,096	2,886,844
Asia Pacific	348,637	431,878	630,361	778,942	836,282	884,875	1,055,415
Europe	185,802	212,566	209,331	217,307	221,908	161,194	165,808
Americas	75,851	85,899	86,027	88,987	86,211	64,227	69,101
Africa and Middle East	7,304	7,914	8,920	10,655	11,263	11,446	9,264
Total	3,330,072	3,781,503	4,158,719	4,684,429	4,239,047	3,868,838	4,186,432

Source: Statistical Report on Tourism in Lao PDR, 2018

While the number of tourist arrivals has increased over the years, the tourism infrastructure is still not commensurate to the growth. In addition, the idea of sustainable tourism is still nascent among the operators and government bodies (Zhang and Zhang, 2018). This problem is not only common in Lao PDR but also across the Small and Medium Enterprises (SMEs) in different sectors around the globe (Perrini and Morsing, 2009). Hence to respond to this, different sets of incentives need to be put in place to encourage SMEs to take up a CSR and embed that in their organizational strategies.

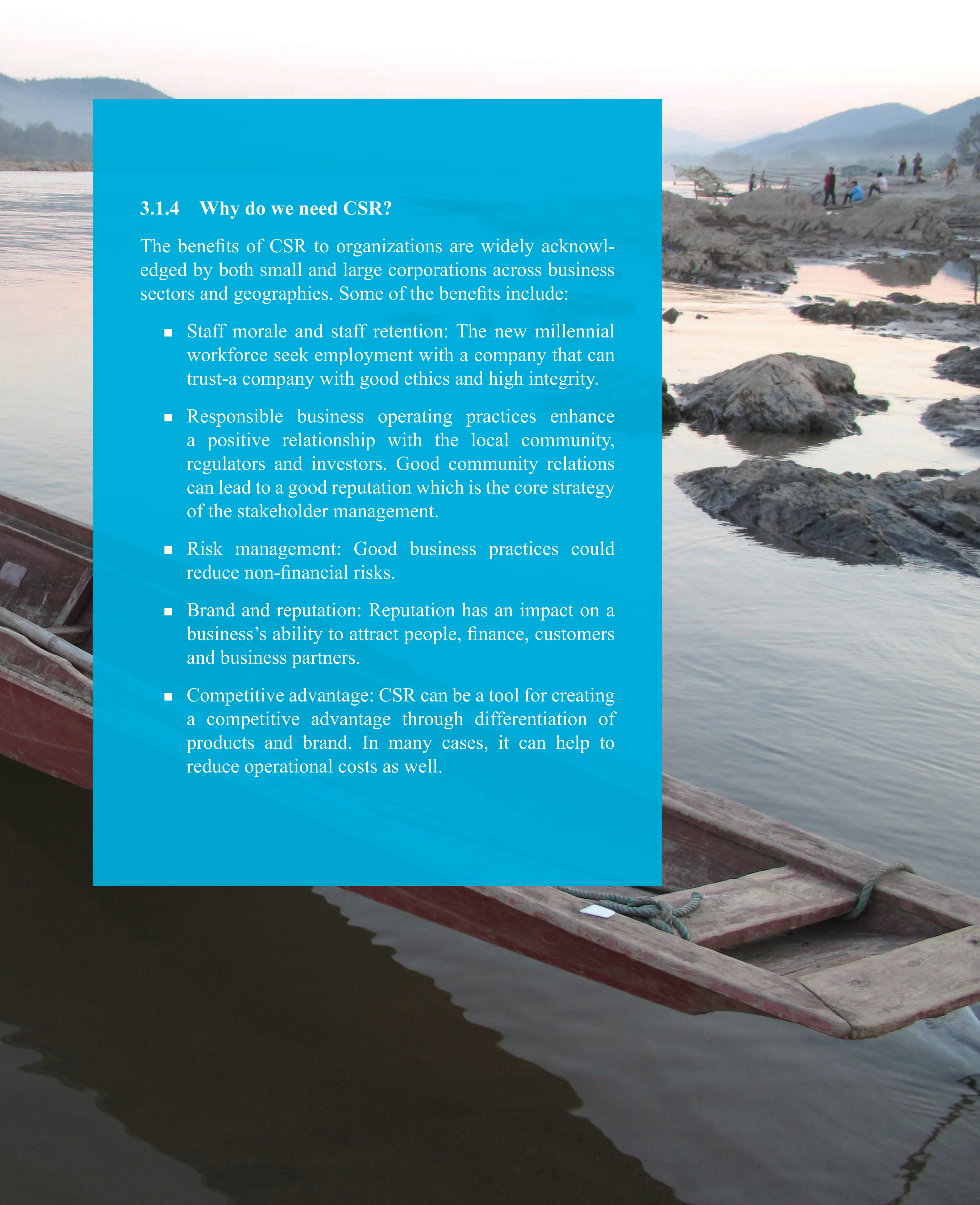
In regards to the tourism sector in Lao PDR, the report commissioned by GIZ in 2015 mentions the needs for the government to provide enabling environment to the industry through transformations at both macro and micro levels. This includes:

- Supporting the government to improve the business environment. Areas identified during the study were **taxation, business administration and labour laws** that are unable to address the specific needs of the sector. Lessons could be drawn from successful overseas case studies where governments have introduced measures in order to drive growth in tourism industry;
- Supporting government and industry with **education and training programs.** Integrating work experience into training programs was identified in the study as a specific industry need;
- Supporting Lao **tourism associations to be more proactive in advocating the common needs** of their members. This could be achieved through further development of international partnerships, staging promotional events, promotion of best practice and regulation tourism businesses in the industry;
- **Labels and international certification -** while some work is already being done to adopt Lao standards, labelling and certification schemes, further support is needed. International certification can be prohibitively expensive and is not always suited to the Lao context. There are opportunities to assist with the design of Lao tourism standards, guidelines and labelling programs based on international best practice but suited to local industry needs; and
- Support for more ASEAN initiatives in the lead up to the AEC. Specifically, in the area of training and international work experience opportunities to capitalise on the knowledge and experience of ASEAN neighbours.

Tour Operator/Travel: According to the business permits database of MICT, the registered capital for the general business under tour/travel/tourist attraction ranges from 35 million to 2.1 billion LAK. The business covers **575 travel/tour operator agencies including 36 branches** providing 1,227 jobs (9.5% foreign workers) whereas the majority of the companies are concentrated in **Vientiane Capital, Luang Prabang and Vientiane Province.** 474 companies or 82% of all tour operators are 100% private own; 31 companies or 5% are solely owned by foreign investor whereas 9 companies (or 2%) are joint-venture with the government of Lao PDR.

Hotel/Guesthouses Business: There are 2,917 registered companies in the business permits database of MICT whereas 87% are Lao owned and 3% are foreign owned providing jobs to 20,166 people. Registered capital ranges from 1.3million to 2.1 billion LAK. The top three provinces with the most hotel/guesthouse are Vientiane Capital, Luang Prabang and Vientiane Province.

Bar & Restaurants: According to the business permits database of MICT, there are 2,475 bars and restaurants registered nationwide providing jobs to 9,582 people. The top three provinces with the most number of registered bar and restaurant business are Khammoun, Oudomxay and Luang Prabang. The registered capital ranges from 1.3 million to 2.1 billion LAK.



3.1.4 Why do we need CSR?

The benefits of CSR to organizations are widely acknowledged by both small and large corporations across business sectors and geographies. Some of the benefits include:

- Staff morale and staff retention: The new millennial workforce seek employment with a company that can trust-a company with good ethics and high integrity.
- Responsible business operating practices enhance a positive relationship with the local community, regulators and investors. Good community relations can lead to a good reputation which is the core strategy of the stakeholder management.
- Risk management: Good business practices could reduce non-financial risks.
- Brand and reputation: Reputation has an impact on a business's ability to attract people, finance, customers and business partners.
- Competitive advantage: CSR can be a tool for creating a competitive advantage through differentiation of products and brand. In many cases, it can help to reduce operational costs as well.

3.2 Survey Results

The survey was conducted with the following key information:

Table 12: List of Business Types/Entities

Services	Number of Respondents
Golf Court/Resort	2
Hotel	16
Technology Service/Tour operator	1
Tour Operator /Travel agency	20
Tourist Attraction	6
International Organization	2
Training Provider	1
Association	2
Chamber of Commerce	2
Government	1
Total	53

From the survey data, the number of female respondents was only 30%, this shows that the majority of business owner and management team comprise of more men than women (64% male).

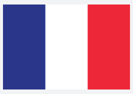
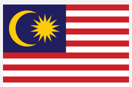
Table 13: Summary of Respondents

Investment Types	Number of Respondents
Concession	14
General business registration	31
Other key stakeholders	8
Total	53

Table 14: Respondent's Gender

Gender	Number of Respondents
Male	36
Female	16
Prefer not to mention	1
Total	53

Table 15: List of Nationality of Foreign Investors Within the Sampling

Nationality		Rank of Investor
	Chinese	1
	French	2
	Singaporean	3
	Korean	4
	Thai	5
	Malaysia	6
	Vietnamese	7

30% of the business types respectively (Table 12) and the tour operator/ travel agency and hotel cover 37.8%.

54.7% of respondents are at the age range of 36-50 years old.

58.5% of companies are from general business registration and 26% are from concession investment.

44% of respondents are business owner and 35% are in management positions.

67.9% of respondents are male.

71% of businesses are Lao-owned, 22% are joint-venture and 7% are foreign owned.

Due to Covid-19 pandemic, Lao tourism sector was impacted almost immediately due to the suspension of all inbound and outbound travelling, resulting in many travel/tour operators, restaurants and hotels having to downsize or close down. Table 13 shows that the survey's response rate was only 58%; this response rate was beyond expectation because it is understandable that the business owners would be demotivated and still coping with the loss of revenue due to no inbound travellers. Also, many businesses were shut down and the majority of companies were not reachable. The most impacted province is Vientiane Province where many tour operators closed down completely, consequently, the response rate is only 34% (see Table 16). **The total number of companies that the survey could reach out to were 45 companies and 8 other key stakeholders.**

Table 16: Summary of Survey Response Rate

Province	Number of selected samples	List from IPD	List from MICT	Personal Contact	Number of Responses	Response Rate
Vientiane Capital (VTE)	2,712,478	3,041,233	3,224,080	3,588,538	3,083,383	2,747,096
Vientiane Province (VTP)	348,637	431,878	630,361	778,942	836,282	884,875
Luang Prabang (LPB)	185,802	212,566	209,331	217,307	221,908	161,194
Other key stakeholders (VTE)	75,851	85,899	86,027	88,987	86,211	64,227
Total	**7,304**	**7,914**	**8,920**	**10,655**	**11,263**	**11,446**

Table 17: Summary of Investment Type/Ownership

Investment Type/ownership	Number of respondents
Foreign owned	4
Local owned	30
Joint Venture	11

Table 18: Summary of Reasons for No Response

Reasons for no responses	Companies in VTE	Companies in VTP	Companies in LPB	IPD list	MICT list	Personal Contact
Decline to participate	0	6	4	4	6	
Not reachable	1	8	2	2	9	
Invalid Number	2	8	2	3	9	
No contact	0	1	0		1	
No response	3	0	0	3	0	
Others	2					2
Total	8	23	8	12	25	2

Table 19: Summary of Survey Communications Channels

Response channel	Number of Respondents	Other Key stakeholders	Response Rate
Face to Face interview	27	6	62.3%
Email	6	-	11.3%
WhatsApp	11	-	20.8%
Return a written form	1	-	1.9%
Telephone Interview	-	2	3.8%
Total	45	8	100.0%

This said, it was fortunate that out of the companies who are reachable, 62% of them allowed the consultant to have a face-to-face interview. (see Table 18)

The key findings provide insights into four domains of CSR: (1) policy and engagement; (2) customer and supplier relations; (3) environment and (4) social. It examines how CSR is infused or adopted in each of these key domains.

3.2.1 Policy and Engagement

In terms of the policy and engagement, this baseline study examines the overarching principles of businesses as one of the critical success factors of CSR implementation in businesses is the consistent tone and commitment of the top management. This entails consistent translation of the CSR massages into actions i.e. from the company's vision/mission/values to the business operations.

Vision and Mission

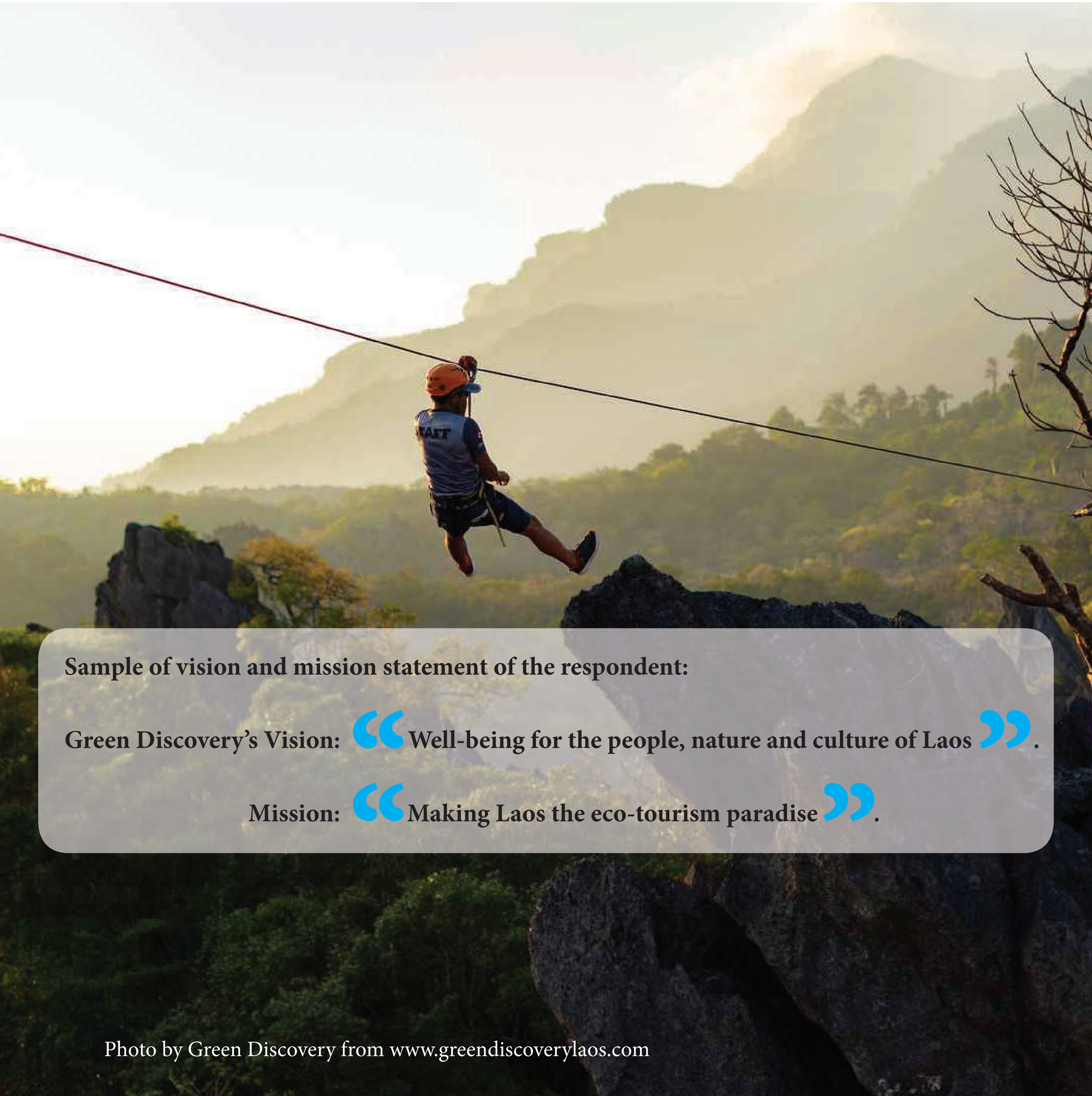
While the awareness of CSR is relatively high in tourism sector in Lao PDR, the understanding and practices are still low. Thus, it is not surprising to see tourism businesses in Lao PDR do not integrate the CSR into their vision and/or mission statements, which are often the guiding principles of businesses. The baseline study shows that an average of 40% of all businesses having the CSR related aspects written in their vision and/or mission statements. Only 30% of the local-owned business has CSR aspect written on their vision/mission statements.

While some businesses do not have the CSR reflected in the vision and/or mission statements, some of the companies verbally mentioned that they have some sort of internal policies related to the CSR. However, no hard evidence was sighted at the point of conducting this baseline study. Therefore, the percentage reflected here only captures businesses that have shown evidence with supporting documents.

Classified by the investment ownership types: (1) local-owned businesses; (2) joint-venture businesses and (3) foreign-owned businesses, the CSR integration in the vision and/or mission statements is relatively more pronounced in the foreign-owned businesses as seen in Table 20 below.

Table 20: CSR Incorporation in Vision and/or Mission Statements

Investment types	CSR elements incorporated in the vision and/or mission statements
Local-owned businesses	30%
Joint-venture businesses	55%
Foreign-owned businesses	75%



Sample of vision and mission statement of the respondent:

Green Discovery's Vision: "Well-being for the people, nature and culture of Laos".

Mission: "Making Laos the eco-tourism paradise".

Photo by Green Discovery from www.greendiscoverylaos.com

Appointed CSR Liaison

There is an average of 47% of businesses that have an appointed CSR officer or a CSR designated liaison person in their organizations. This figure includes businesses that adopt and practice CSR formally and informally. By formal, it refers to businesses that have CSR reflected in their vision and/or mission statements. By informal, it refers to businesses that practice CSR related activities that do not have them formally embedded in business policy documents but mentioned that they have an appointed person to manage CSR activities.

Table 21: Role of CSR Officers

Investment Types	CSR Officer	Commitment of CSR Officer	
		Full-time	Part-time
Local-owned businesses	40%	0.0%	100%
Joint-venture businesses	73%	0.0%	100%
Foreign-owned businesses	25%	0.0%	100%

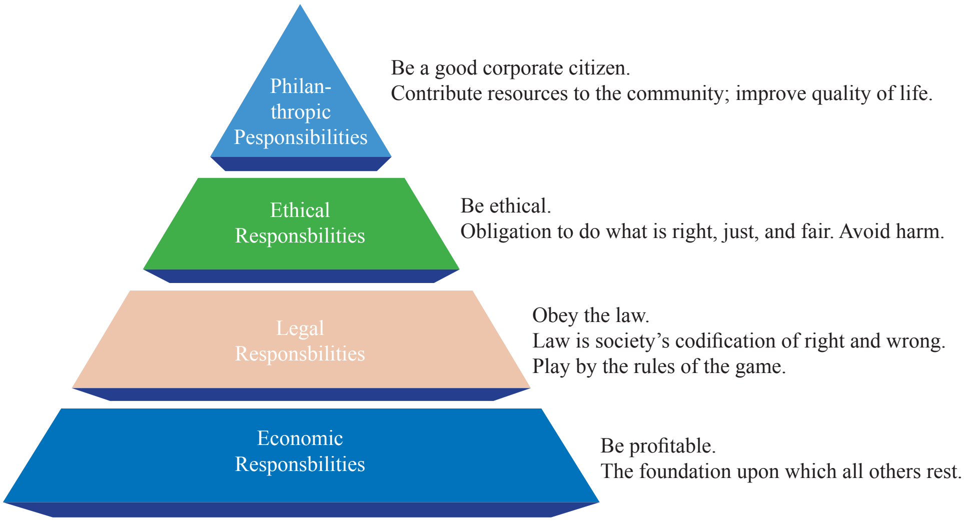
Among the appointed CSR officers, all of them work only on a part-time basis or have CSR jobs as part of other commitments. When asked, all of them have responded that they do not have CSR job descriptions in place. Nevertheless, in terms of the decision-making power related to CSR, 11% of the appointed CSR officers can make decisions on CSR without any resistance from the top management due to the CSR tasked to the General Manager position.

Table 22: Decision-Making Power of CSR officers

Category	Investment Types	CSR Officer's Job Descriptions	Decision Making
Formal	Local-owned businesses	NIL	9%
	Joint-venture businesses	NIL	2%
	Foreign-owned businesses	NIL	0

CSR Main Activity

Figure 1: Carroll's CSR Pyramid



According to Carroll's CSR pyramid model , a large proportion of tourism businesses in Lao PDR are still considered at the economic responsibilities ranking, where there is no deliberate action from the part of businesses to engage in CSR. Many of the activities are performed on an ad-hoc basis geared toward on demand charitable giving. Only a few foreign-owned tourism businesses view CSR as an ethical obligation but then again, the implementation on the ground in regards to this view still need to be validated.

Among the businesses that engage in CSR, 66% of them are local-owned businesses, 25% joint-venture and 9% foreign-owned businesses. Table 22 shows the CSR activities engaged by tourism businesses by category. It is evident that many of them are engaged in charitable giving towards social and cultural events. There are some companies engaging in multiple activities. For instance, a local-owned business engages in an environmental activity through tree planting, and a social and cultural event through donation to a temple rehabilitation project.

Table 23: CSR Main Activities by Investment Type

Investment type	CSR engagement	CSR activity type				
		Social and cultral	Environmental	Economic	Educational	Others
Local-owned businesses	66%	34%	24%	24%	10%ional	24%
Joint-venture businesses	25%	18%	27%	27%	27%	27%
Foreign-owned businesses	9%	25%	50%	25%	0%	25%

Table 23 shows the examples of CSR activity types that were engaged by the business in tourism sector. The activities are more altruistic then rather than strategic and well planned activities hence it is not even reach the level of philanthropy.

Table 24: Examples of CSR Activities that Respondents Performed

Social and Cultural	Definition	Activity Examples
Social and cultural	Engage in activities related to religion, festival and community events	▪ Donating for rehabilitation of temples ▪ Donating and sponsoring boat racing festival participation
Environmental	Engage in activities related to environment conservation and waste management.	▪ Supporting in tree planting events ▪ Taking turns to collect garbage around the city ▪ Using refillable and glass bottles for drinking water ▪ Recycling plastics and papers ▪ Separating wastes for easy collection and recycling ▪ Engaging in energy and water savings
Economic	Engage in activities related to job creation and community empowerment	▪ Bringing tour groups to purchase local made products ▪ Providing legal minimum wage to all employees of minimal skills
Educational	Engaged in activities related to scholarship giving and community service projects such as stationery donations or school renovations	▪ Providing scholarship to the poor ▪ Donating school supplies to schools in remote places ▪ Constructing toilets for schools
Others	Engage in other activities not related to social and culture, environment, economic and education.	▪ Allowing staff to participate in volunteer activities

The good CSR practices in Lao PDR that could be drawn from the survey are:

- Ecotourism businesses that engage local and indigenous communities on tour activities such as tour guide, homestay service, and local products promotion. Beyond that the businesses have provided the scholarship for local staff to learn foreign language to help them with their career development creating more job opportunities for poor and disadvantage youths e.g. Tiger Trial, Green Discovery, Mylao tour.
- Hotel and Hospitality Association has worked together on volunteering program such as "keeping Luang Prabang street clean" by taking turn to collect wastes along the main streets in the city center.
- Refillable bottles and cotton shopping bags usage promotion to protect the environment and promote local handicraft e.g. Amantaka hotel and Villa Mali Hotel in Luang Prabang.

CSR Funding

Among businesses that engage in the CSR activities, 37% of all businesses have placed CSR funding as part of the annual budgeting process. 34% of the Lao-owned businesses set aside for CSR activities varies from 2-15% whereas the foreign owned businesses did not set aside the funding for the CSR at all. According to Table 25 below, it can be seen that very small number of companies allocated funding for CSR activities.

Table 25: CSR Funding

Investment type	CSR funding budget (%)		Revenue contribution
	Regular	Ad-hoc	
Local-owned businesses	34%	66%	2-15%
Joint-venture businesses	45%	55%	3-5%
Foreign-owned businesses	0%	100%	0%

Motivation for CSR Engagement

The main motivations of tourism businesses engaging in CSR in Lao PDR are altruistic rather than strategic. For local-owned businesses, the motivation for practicing CSR is aligned with the mainstream Buddhist belief of karma, which is the main and official religion of Lao PDR.

Table 26: CSR Motivation

Investment type	Motivation for CSR engagement	Category of motivation (%)	
		Strategic	Altruistic
Local-owned businesses	▪ Giving is in the nature of Lao people in general ▪ Wanting to promote business branding through doing good	34%	66%
Joint-venture businesses	▪ Understanding the importance of impact investment ▪ Wanting to promote business branding through doing good	45%	55%
Foreign-owned businesses	▪ Complying with the Head Quarter's CSR policy ▪ Understanding the importance of impact investment ▪ Wanting to give back to the host country	0%	100%

Barriers for CSR Engagement

The barriers for CSR engagement are categorised into four main categories: (1) finance, (2) management, (3) people and (4) policy. 67% of local-owned businesses,55% of joint-venture businesses and 75% of foreign-owned businesses do not find it difficult to start a CSR activity in Lao PDR if macro policies are clear and practical. When the barrier is not an issue and the belief in giving is there, it is a sign of positivity for the country to promote further the CSR.

Table 27: CSR Barriers

Investment type	Barriers categories				
	Finance	Management	People	Policy	No barrier
Local-owned businesses	3%	7%	7%	17%	67%
Joint-venture businesses	0%	9%	9%	27%	55%
Foreign-owned businesses	0%	0%	0%	25%	75%

For those (approx. 35%) who find that there are barriers to start CSR activities, the following reasons were given:

Table 28: Elaboration of Reasons for Not Engaging in CSR

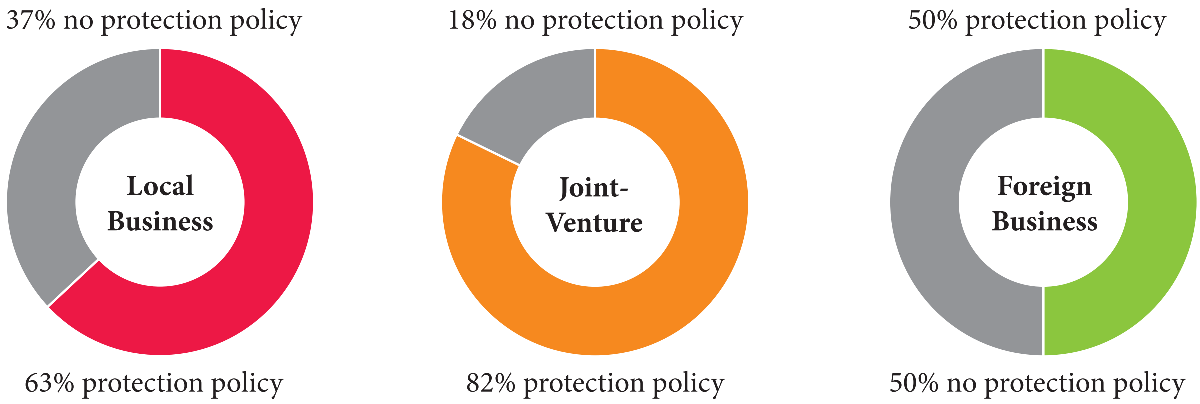
Investment type	Definitions	Reasons for not engaging in CSR
Policy	This refers to the macro-policy that facilitates CSR engagement for businesses.	▪ CSR is still not a mandatory activity in the law of Lao PDR ▪ Lack of a proper CSR guideline to follow
Management	This refers to the business' internal management, especially the tone from the top leadership.	▪ CSR is not yet seen as an integral part of the business operations ▪ Enforcement and commitment from management is weak ▪ Lack of guidance and direction from the top management
Finance	This refers to the finance capacity of businesses to engaged in CSR activities	▪ There is no formal budget allocated for CSR program ▪ CSR is often seen as addition expenses that might lead to unsatisfactory bottom line
People	This refers to the business' human resource capacity.	▪ The understanding of staff on CSR is limited

3.2.2 Customers and Suppliers' Relations

This part of the baseline study examined internal operations and processes that respond to the needs of customers as well as the integrity of businesses to provide ethical businesses to them. For tourism businesses, tourists play a key role as they are both customers and multipliers.

Protecting customer data is critical and crucial in all businesses. About 67% of businesses stated that they have internal policy in place to protect customer confidentiality as shown in Table 28 which classified into investment type.

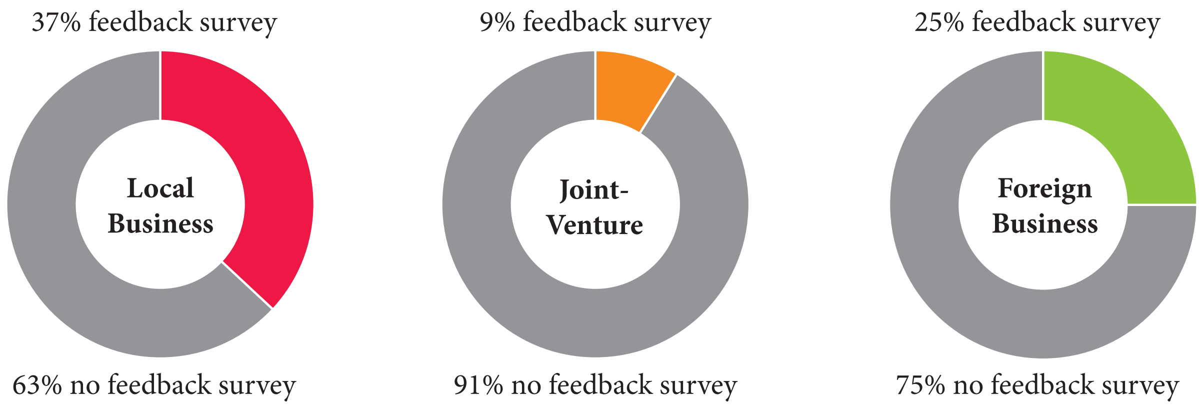
Figure 2: Customer Protection Policy



Survey for improvement

Customers and suppliers' feedback is important to inform business improvements. The majority of respondents stated that they relied on ratings of social media page, website and on spot verbal survey to obtain customer's feedback. Less than 40% of all companies conducted proper customer survey.

Figure 3: Customer and Supplier Feedback



Supply chain management

Supply change management is still a relatively new concept among many tourism businesses. This baseline study examines the risk management plans as an entry point to understand the supply chain management of the businesses. The baseline study shows that 67% of businesses have conducted supplier audit as part of their regular business.

Table 29: Supplier Audit

Investment type	Supplier audit implementation	Reasons for engaging supplier audit
Local-owned businesses	57%	■ Minimizing potential reputation risks ■ Ensuring trusted quality products from suppliers
Joint-venture businesses	91%	■ Minimizing potential reputation risks ■ Ensuring trusted quality products from suppliers
Foreign-owned businesses	75%	■ Minimizing potential reputation risks ■ Ensuring trusted quality products from suppliers ■ Adhering to Head Quarter's CSR policy

3.2.3 Environment

Paper use is applied to gaging tourism businesses impact on the environment. On average business spent about 32 million LAK on printing for business operations including both internal and external usage. About 26.7% companies have cost of printing over 10,000,000 LAK annually. This is considered to be a lot of paper and cartridges used; creating unnecessary wastes from business operations.

90% of the respondents have stated that the solid wastes are the major environmental distortion for tourism sector polluting streets, rivers and drainage system. The Lao Tourism Authority is pursuing the turning waste to energy solution where restaurant owners who have budget to purchase the machine are encourage to buy a machine to turn the solid to energy and use that for cooking stove. However, this solution is still considered a high cost for business to invest.

Table 30: Cost of Printing

Investment type	Expenditure on printing (LAK)			
	cost ≤ 1,000,000	2,000,000≤ cost < 5,000,000	5,000,000≤ cost <10,000,000	cost ≥10,000,000
Local-owned businesses	11	6	6	7
Joint-venture businesses	5	0	3	3
Foreign-owned businesses	1	1	0	2
Total	17	7	9	12

Communications Means

When asked further on the communications channel that companies used to promote their services, 93% of businesses stated that they engaged in non-paper communications and advertisement. Table 32 shows the communications channels by online and offline. The cost of printing under Table 31 is classified as the offline advertisement showing that the companies are making their way towards online platform and reducing the unnecessarily promotional materials printing.

The high engagement in online communications with potential customers is largely due to the apparent effectiveness of leveraging on-line technology to engage overseas tourists especially through the power of social media (Facebook, IG, YouTube) and online rating websites (Agoda, booking, trip advisor). This is considered to be a positive trend to save paper and reduce chemical substance used for promotional means.

Table 31: Communications Channels

Investment type	Advertisement		
	Online	Online and Offline	Offline
Local-owned businesses	27%	67%	7%
Joint-venture businesses	36%	36%	0%
Foreign-owned businesses	50%	25%	25%

Around 53% of businesses engage in the procurement of eco-fair or eco-friendly products. The low uptake of this is due to the limited availability of such products. For those that are available, they are relatively costly and this makes it less appealing for businesses.

Table 32: Product Procurement

Investment type	Procurement of eco-fair or eco-friendly products		Eco-fair or eco-friendly products
	No	Yes	
Local-owned businesses	53%	47%	▪ Depending on what is available in the markets ▪ Purchasing mostly fresh products from the local markets ▪ Using local handicraft for decorations and to service customers
Joint-venture businesses	18%	82%	▪ Purchasing GAP fresh produces e.g. fruits and vegetables. ▪ Using local handicraft for decorations and to service customers

Foreign-owned businesses	75%	25%	▪ Procuring organic and fresh products ▪ Using bamboo straws and refillable bottles to service customers ▪ Using local handicraft for decorations and to service customers

3.2.4 Social

Employee Remuneration

All the businesses have adopted the legal minimum wage for employees, which is LAK 1,100,000 per month, with the exception of one business that does not reveal information.

In terms of working hours, all the businesses have complied with 8 working hours per day. There are an average of 60% of all businesses adopting overtime policies for their employees.

Table 33: Overtime Policy for Employees

Investment type	Overtime for employees
Local-owned businesses	66.7%
Joint-venture businesses	72.7%
Foreign-owned businesses	50.0%

In terms of social protection funds, 49% have opted in for some sort of social security fund or social insurance for their employees.

Table 34: Social Security for Employees

Investment type	Social security for employees
Local-owned businesses	40%
Joint-venture businesses	82%
Foreign-owned businesses	25%

For businesses that provide social security to their employees, many of the local-owned businesses and join-venture businesses are said to provide social security packages to their employees better than the national social security fund (NSSF) of Lao PDR.

Table 35: Quality of Social Security for Employees

Investment type	Quality of social security			
	Use NSSF	Better than NSSF	Worse than NSSF	No security at all
Local-owned businesses	7%	20%	7%	67%
Joint-venture businesses	18%	45%	9%	27%
Foreign-owned businesses	25%	0%	0%	75%

Employee Welfare

Staff feedback is crucial to business operations to continue improving the services. In this aspect, 69% of businesses have conducted staff survey. However, only 56% have done it on a regular basis. Among those businesses that have conducted staff survey, those from the joint-ventures were the entity that have a systematic and formal platform in dealing with staff feedback and resolutions.

Table 36: Employee Feedback Cycle

Investment type	Employee feedback cycle		
	Regular	Ad-hoc	Not at all
Local-owned businesses	47%	10%	43%
Joint-venture businesses	82%	18%	0%
Foreign-owned businesses	50%	0%	50%

About 93% of businesses stated employees are encouraged to participate in professional development courses which includes in-house on the job training. Majority of the professional development courses include: customer services, food and beverage, leadership, tour guide, child protection and first aids.

Table 37: Professional Development Courses

Investment type	Number of training per year			
	None	1-3	4-5	More than 5
Local-owned businesses	13%	67%	13%	7%
Joint-venture businesses	0%	64%	27%	9%
Foreign-owned businesses	0%	100%	0%	0%

The professional development was usually encouraged via attend training courses provided either by the company and the external training providers. 67% of local-owned businesses, the training mostly provided in-house on the job training about 1-3 times per year and for external training, the local-owned businesses only participated in the training provided by LATA once per year whereas 64% of the joint-venture businesses preferred to provide both in-house and external training providers as they emphasized a lot on human resource development hence 1-3 classes per year with external training providers for the remaining courses. Surprisingly, 100% of the foreign-owned business provides only an in-house on the job training.

4. Recommendations

The recommendations are grouped into five broad themes: (1) policies, (2) incentives, (3) stakeholder engagement (4) resources and (5) business champions.

4.1 Policies

At the policy level, relevant ministries should have clear CSR strategy for businesses. One of the main challenges of businesses not engaging in CSR is the lack of guiding and clear policies. The government is also involved in standard-setting through the provision of policy frameworks, which encourage companies to improve their performance beyond minimum legal standards. The following approach could be used as part of policy interventions:

- The MPI and relevant ministries could explicitly include CSR aspects into the investment approval check list and investment agreement e.g. environmental fund, community fund, community profit sharing scheme must state detailed plan explaining the objectives of the fund, the target beneficiaries, the activities list, and time frame. These contents must be implemented at the screening of application and consultation steps.
- The MPI could apply a credit blacklist for investor/company that broke laws (such as Labour Law) and expose the list on IPD website.
- IPD could recommend the investors to include at least UNGC 10 principles into their business operations plan and link well with the budget of the company's CSR activity planning.
- The government could look into working with the with Lao Security Commission Office (LSCO) to have the listed companies to include CSR aspects into their business report disclosure. The listing companies are large corporates which could have a larger impact on CSR awareness if they took the lead. The state-own enterprises will also be the good candidates to work with to show the commitment of the government towards promoting CSR.
- On the policy research, the assessment of CSR impacts by gathering data and information of different types of firms (e.g., multinationals, local large companies, SMEs) across all economic sectors could be considered to further understand the contribution of private sector towards the country development for example poverty alleviation, employment, access to healthcare, and education. Base on the results ofthe assessment, relevant agencies could look into the integration of responsible business aspects such as sustainable consumption and production, CSR for inclusive, CSR for poverty reduction and sustainable socio-cultural development into sectoral development plans, investment promotion strategy and other relevant policies.

The adopted policies should be translated into clear guiding documents which will be carried out consistently across all levels. On this, a practical monitoring and evaluation framework should be put in place to keep track of the progress and challenges. The monitoring and evaluation could be done by the "investment for good" committee comprising of IPD, LSCO, NA, Sectorial Association (e.g. Lao Tourism Authority in this case) and other relevant sector authorities.

While CSR is crucial and critical for sustainable businesses, policies should be business-friendly and designed after comprehensive consultations with concerned stakeholders. It is promising to learn that business acceptance level of CSR is relatively high provided that the macro-policy is clear and provides a conducive environment for businesses.

Annex 4 and 5 provide government case studies and policies in other countries to encourage CSR among businesses. Annex 6 provides four actions to promote CSR in ASEAN countries under the AEC blueprint.

4.2 Incentives

Apart from setting standards and creating relevant policies, structured and transparent incentives for businesses should also be made available. For instance, incentives can come in the form of tax reductions and recognition for tourism businesses that perform well in CSR.

Businesses should also note that engagement in CSR or community development can help a company garner capital, create financial value, and boost profitability and growth, through the promotion of sustainable values that adhere to the Sustainable Development Goals.

For the marginalized, vulnerable and poor communities, CSR could be relevant and impactful only if it provides better working conditions, decent wages and benefits, protection of human rights. When CSR is understood and implemented correctly, the businesses could help address social and environmental issues in a more comprehensive manner and lifting the budget burden of the central government. Business sector has the potential to support a better quality of life for the poor when their business operations are striving for innovation for sustainability, environment-friendly product development, health and safety of the workers.

4.3 Stakeholder Engagement

Commitment from business management is the key to successful CSR engagement. On this, the government or relevant line ministries might consider engaging business executives to introduce relevant CSR incentives available to them.

With the current structure of private sector in Lao PDR, the government could consider working with Lao National Chamber of Industry and Commerce (LNCCI), Lao Security Commission Office, and the Tourism Sector Working Group, to leverage on their network to formulate comprehensive and constructive stakeholder engagement dialogue. On this, effective communication between the government and the concerned stakeholders should be transparently maintained throughout to keep the latter informed of any progress.

4.4 Resources

Local businesses find it difficult to access to information on CSR guidelines, framework, practices that available in the Lao language as well as courses to take part in to enhance their knowledge on CSR.

Apart from making it accessible, consistent engagement on the part of the government with businesses to promote the available resources is highly encouraged. This can be done through workshops and various communications channels such as tourism professional groups or online platforms such as LinkedIn or Facebook.

4.5 Business Champions

It is important to have CSR business champions to showcase their success stories. Not only does this motivate businesses, it also broadens the CSR knowledge among the business community. Through this knowledge sharing, it could potentially form a foundation that inspires and innovates CSR practices among the tourism businesses in Lao PDR. It would also portray as evidence-based on how CSR initiatives that linked to the core business operations could improve living standards and well-being of the communities.

5. Conclusion

Although CSR implementation in Lao PDR is progressing at a relatively slow pace, it is uplifting to learn that businesses are willing to engage in and take CSR further if macro-policies are conducive and provide relevant support to them. The strong evidence of social giving among businesses through charitable projects could be seen as a strong foundation for systematic CSR to take place across the sector as well as providing more empirical evidence on the impacts of the CSR initiatives toward solving social and environmental challenges.

CSR implementation is a multi-stakeholder task that involves key actors such as the government, businesses, customers, international organizations and not-for-profit organizations to create impactful results. Among them, commitment from top business management and government is critical to create a supportive environment for CSR to flourish.

To follow up on the findings, this baseline study provides five key recommendations: (1) conducive and clear policies on CSR from the government, (2) attractive incentives to encourage CSR implementation among businesses, (3) clear plan for stakeholder engagement (4) available and accessible resources to support businesses and (5) providing business champions to lead the CSR initiatives.

Annexes

Annex 1: Questionnaires

[Company Name]

The Improving Quality Investment for Achieving Sustainable Development Goals in Lao PDR project office under the Department of Investment Promotion in Ministry of Planning and Investment (MPI) would like to seek your kind support in helping us assist the business sector in Tourism Sector to improve the integration of Corporate Social Responsibility aspect into the Tourism and Hospitality business operations.

Definition[15]: Corporate Social Responsibility (CSR) in tourism can be referred to as a guiding business policy whereby tourism companies integrate social and environmental concerns in their own business mission, strategies and operations as well as in their interaction with their stakeholders. CSR today is seen as a multi-stakeholder approach where stakeholders are not only receivers but also partners for realizing and implementing CSR strategies. In tourism companies' strategies, could include environmental protection, fair working conditions for employees and contributing to the welfare of local communities as key aspects to work with.

Kindly help us improve our assistance to you by filling out this set of questionnaires and return to us

by ………/………. /………..

If you need clarification about the questions, please contact:

Name Contacts	
Ms. Philaiphone Vongpraseuth	Email: philaiphone@hotmail.com or Tel: 020 9928 9494
Ms. Chindaphone Saignaleuth	Email: philaiphone@hotmail.com or Tel: 020 9928 9494

All information provided by you will be kept confidential.

Thank You

Section I: General Information

Type of business (Choose the one that best represents your business.)	❑ Tour Operator ❑ Restaurant ❑ Hotel/Accommodation ❑ Ticketing Service ❑ Hospitality Training Provider ❑ Tourism Training Provider ❑ Others (please specify) …………………………

[15] Lund-Durlacher, Dagmar (2015): Corporate Social Responsibility and Tourism. In: Education for Sustainability in Tourism - A Handbook of Processes, Resources, and Strategies. Moscardo, P. & Benckendorff, G. (eds.). Berlin: Springer, p. 59 - 73

Type of investment	❑ Concession ❑ General
Type of ownership	❑ Lao owned ❑ Foreign owned (Nationality) ❑ Joint Venture: Lao ……% Foreigner………% (Nationality:…………) Joint Venture: Lao ……% Foreigner………% (Nationality:…………)
Main office location (Province)	
Company establishment year	
Main contact person	Name: Email: Tel:
Company's website	
Number of employees in your company	Total…………..staff (…………….female) Number of local staff:……………..(……………. female) Number of international staff………………..(………..female)
Annual revenue turnover	❑ Micro Enterprise < 100 million LAK ❑ Micro Enterprise 100 million - 400 million LAK ❑ Small Enterprise > 400 million - 1.5billion LAK ❑ Medium Enterprise > 1.5 billion - 4 billion LAK ❑ Large Enterprise > 4 billion LAK
Registered Capital	
Employment level of respondent (person who fills this survey)	❑ Owner ❑ Management ❑ Technical staff ❑ Other …………………………………
Gender of respondent (person who fills this survey)	❑ Male ❑ Female ❑ Prefer not to mention
Age range of respondent (person who fills this survey)	❑ 18-25 ❑ 26-35 ❑ 36-50 ❑ 51-65
Do you know the meaning of CSR?	

Section II: Business Profile

1. What are your company vision and mission statements?

Vision:……………………………………………………………………………………………

Mission: ……………………………………………………………………...………………

2. Does your company have staff who works specifically on Corporate Social Responsibility or on a company public relation related role? If so, please elaborate the staff's main roles.

………………………………………………………………………………………………………

………………………………………………………………………………………………………

3. Does your company have a CSR program/activity in one of these areas? (You can skip this question if your company does not have support any CSR activities)

❑ Supporting community in tree planting programmes

❑ Supporting livelihood of employees beyond formal employment

❑ Supporting employees to engage in any CSR of their choice (volunteering)

❑ Supporting local employment and livelihood

❑ Supporting educational funds

❑ Supporting religious activities

❑ Supporting eco-friendly products/services

❑ Supporting energy saving within the company

❑ Others ……………………………………………….

4. If you selected one of the above activities, please let us know your inspiration for having CSR programme.

………………………………………………………………………………………………………

……………………………………………………………… …………………………………

5. If your company has not yet had a CSR programme/activity in place, do you wish to implement a CSR scheme in your company? If not, what prevents you from implementing it in the past/now?

………………………………………………………………………………………………………

………………………………………………………………………………………………….....

6. How does you your company fund the CSR program/activity?

………………………………………………………………………………………………………

………………………………………………………………………………………………………

………………………………………………………………………………………………….....

7. What is the major source of income of your company?

❑ Tour package ❑ Commission ❑ Transportation ❑ Others…………………..............….

8. How many holiday packages does your company offer?

❑ 2 ❑ 3 ❑ 4 ❑ Other:………………………...……………

9. Does your company offer any eco-friendly products/services? If so, kindly elaborate.

………………………………………………………………………………………………………

……………………………………………………………………………………………………

10. How many tourists/guests do you serve annually?

……………………………………………………………………………………………………

……………………………………………………………………………………………………

11. What are top three nationalities of your guests?

……………………………………………………………………………………………………

……………………………………………………………………………………………………

12. Do you benefit more from individual or group package?

❑ Individual ❑ Group

13. What is the average length of stay for the guests?

……………………………………………………………………………………………………

Section III: Customer / Supplier Relations

1. How does your company communicate your services to customers?

❑ Online: ❑ Website ❑ Email ❑ Facebook ❑ IG ❑ Group chat ❑ others…………………

❑ Brochure distribution

❑ Radio

❑ Magazine

❑ Newspaper

❑ Others……………………………………

2. Does your company have customer confidentiality policy? (Yes/No):…….….…………………

3. Does your company conduct customer/supplier survey for service improvement purposes? If so, please elaborate.

……………………………………………………………………………………………………

4. What is your response rate to customer questionnaires? (e.g. very satisfactory, satisfactory, neutral, not satisfactory, not very satisfactory)

……………………………………………………………………………………………………

……………………………………………………………………………………………………

5. How does your company manage its supply chain?

……………………………………………………………………………………………………

……………………………………………………………………………………………………

Section IV: Environment

1. **How many promotional materials does your company print annually?**

……

……

2. **Does your company have energy, water and paper savings policy or green office policy?**

❑ Energy savings

❑ Water savings

❑ Paper savings

❑ Green office

❑ Waste management

❑ No. We don't have it.

3. **Does your company source eco-fair or eco-friendly products? if so, please elaborate.**

……

……

Section V: Social / Employees

1. **What is your company working hour? Do you have over-time policy?**

……

……

2. **How many females in your company's management positions?**

……

……

3. **Does your company have gender equality and child protection policy in place? If so, please elaborate.**

……

4. **Does your company have training activity planned for your staff annually? If so, how many times per year? What topics are the training on?**

……

5. **What is your staff's minimum monthly salary?**

……

……

6. **What other benefit package do you offer to your staff in addition to the basic salary?**

❑ Social Protection Insurance

❑ Health Insurance

❑ Leaves: ❑ annual (15days)…….. ❑ maternity (120 days)…… ❑ paternity (5 days)…...

❑ sick leave (30days)……….. ❑ Others………………….

❑ Pension fund: ………………………………..

❑ Compensation: ………………………………..

7. Do staff allow to form a staff union/representative group? If so, please elaborate

……

8. Does your company conduct a staff satisfaction survey? If so, how frequent?

……

……

9. What kind of support would you like to have from the government and the project to assist you with streamlining CSR program into your company?

……

……

Thank you for your time

Baseline Survey Questionnaires for CSR in Tourism Sector-Other Key Stakeholders

The Improving Quality Investment for Achieving Sustainable Development Goals in Lao PDR project office under the Department of Investment Promotion in Ministry of Planning and Investment (MPI) would like to seek your kind support in helping us assist the business sector in Tourism Sector to improve the integration of **Corporate Social Responsibility** aspect into the Tourism and Hospitality business operations.

Definition: [16]Corporate Social Responsibility (CSR) in tourism can be referred to as a guiding business policy whereby tourism companies integrate social and environmental concerns in their own business mission, strategies and operations as well as in their interaction with their stakeholders. CSR today is seen as a multi-stakeholder approach where stakeholders are not only receivers but also partners for realizing and implementing CSR strategies. In tourism companies' strategies could include environmental protection, fair working conditions for employees and contributing to the welfare of local communities as key aspects to work with.

Kindly help us improve our assistance to you by filling out this set of questionnaires and return to us by ……./……./2020

If you need clarification about the questions, please contact:

Contact Name Contact Detail	
Ms.Philaiphone Vongpraseuth	Email: philaiphone@hotmail.com or Tel: 020 9928 9494
Ms. Chindaphone Saignaleuth	Email: chindaphone_s@hotmail.com or Tel: 021 254 035

All information provided by you will be kept confidential. Thank you

Section I: Organization's General Information

Type of business (Choose the one that best represents your business.)	Tourism Training Provider ❑ Donor ❑ Association ❑ Others (please specify) ………………………………
Type of investment	❑ Concession ❑ General ❑ Others……………
Type of ownership	❑ Lao 100% ❑ Foreign 100% JV: Lao..........% Foreign............% (Nationality.......................)
Main office location (Province)	
Year of Establishment	
Direct Contact	Name: Email: Tel:

[16] Lund-Durlacher, Dagmar (2015): Corporate Social Responsibility and Tourism. In: Education for Sustainability in Tourism - A Handbook of Processes, Resources, and Strategies. Moscardo, P. & Benckendorff, G. (eds.). Berlin: Springer, p. 59 - 73

No. of staff	Total………….staff (…………….female) Number of local staff:……………..(……………. female) Number of international staff………………..(……….female)
Annual Turn-over	❑ Micro Enterprise < 100 million LAK ❑ Micro Enterprise 100 million - 400 million LAK ❑ Small Enterprise > 400 million - 1.5billion LAK ❑ Medium Enterprise > 1.5 billion - 4 billion LAK ❑ Large Enterprise > 4 billion LAK ❑ Not for profit
Position of the respondent	❑ Owner ❑ Management ❑ Technical staff ❑ Other…………………………………
Gender of Respondent	❑ Male ❑ Female ❑ Prefer not to mention
Age of Respondent	❑ 18-25 ❑ 26-35 ❑ 36-50 ❑ 51-65

Section II: CSR Activities

1. Do you know what is Corporate Social Responsibility? Yes/No
2. Does your organization have Corporate Social Responsibility Activity/Program integrated into the project/teaching activity? If so, please kindly tell us more about it?

…………………………………………………………………………………………..……………
……

3. What is your inspiration for having CSR program/activity integrated into your project/ curriculum?

……
……

4. Do you have a designated department or person who is directly responsible for the CSR program?

……
……

5. How do you fund the CSR program/Activity?

……
……

6. For the International Organizations who provide funding to promote tourism sector development, could you tell us what are the projects do you currently fund? Do you also have CSR aspects integrated into your project documents and project activities?

……
……

7. For the training service provide, what are the subjects/syllabus do you have in place where CSR

is part of the teaching materials?

....
....

8. If your organization/project does not have CSR Program, are you interested to have one in place?

....
....

9. Would you like your team to participate in our training program that could help guide you to implement the CSR activity/program?

....
....

10. If you are interested, do you have any expectation or recommendation for the project to consider?

....
....

Thank you for your time

Annex 2: Key Statistics

Table A 2.1: Tour Operator/Travel Business Statistics

Province	#Tour Operator/ Travel Company	Branches	Lao-owned	Foreign owned	Nationality	Joint venture	Nationality (JV)
Phongsaly Province	2	0	2	0			
Luangnamtha Province	7	1	8	0			
Bokeo Province	15	1	13	3	French 1, Chinese 1, Thai 1		
Oudomxay Province	5	0	4	1	Vietnamese		
Houaphanh Province	2	0	2	0			
Xiengkhuang Province	8	2	10	0			
Luangphabang Province	81	16	78	13	Chinese 9, French 2, Korean 1, Vietnam 1	6	Chinese 1, French 3, Japanese 1, Korean 1
Xayabouly Province	16	0	13	3	Chinese, Korean		
Xaysomboun Province	0	0	0	0			
Vientiane Province	32	3	26	4	Chinese 3, Korean 1	5	Chinese 2, Korean 3

Vientiane Capital	317	5	271	18	Chinese 14, Fench 3, Korean 1	33	Chinese 18, Korean 13, Vietnamese 1, French 1
Bolikhamxay Province	6	0	6	0			
Khammoun Province	6	1	7	0			
Savannaket Province	10	0	9	1	French 1		
Champasack province	27	7	31	3	French 1, Korea 2		
Salavane Province	2	0	2	0			
Sekong Province	0	0	0	0			
Attapeua Province	3	0	3	0			
Total	**539**	**36**	**485**	**46**		**44**	

Table A2.2. Hotel Business Statistics

Province	#Hotels	Lao-owned	Foreign owned	Nationality
Phongsaly Province	74	67	7	Chinese 6, Vietnamese 1
Luangnamtha Province	110	108	2	Chinese
Bokeo Province	90	85	5	Thai 2, Chinese 2, Korean 1
Oudomxay Province	130	121	9	Chinese 5, Bangladesh 2, French 2
Houaphanh Province	73	70	3	Vietnamese
Xiengkhuang Province	134	133	1	Vietnamese
Luang Prabang Province	348	322	26	Canada 2, Cambodia 1, Chinese 8, Swedish 1, Singapore 1, French 3, Vietnamese 1, American 1, Australian 1, English 2, Denmark 1, Germany 3, Thai 1
Xayabouly Province	185	185	0	
Xaysomboun Province	38	38	0	
Vientiane Province	340	338	2	Chinese

Vientiane Capital	446	425	21	Chinese 12, French 3, Vietnamese 2, English 1, Korean 1, Japanese 1, Bangladesh 1,
Bolikhamxay Province	162	162	0	
Khammoun Province	139	137	2	Malaysian, Chinese
Savannaket Province	210	209	1	American
Champasack province	283	282	1	French
Salavane Province	55	55	0	
Sekong Province	44	44	0	
Attapeua Province	56	52	4	Vietnamese
Total	**2917**	**2833**	**84**	

Annex 3: List of Respondents

No	Name of company	Office address (Province)	Type of business	Type of investment	Type of ownership	Company establishment year
1	Golf and Resort	Vientiane Capital	Golf court	Concession	Joint Venture	2011
2	Sibsong Phanna Hotel	Luang Prabang	Hotel/ Accommodation	General	Foreign owned 100% (Chinese)	2012
3	The Grand Hotel	Luang Prabang	Hotel/ Accommodation	Concession	Joint Venture: Lao 30%, Foreign 70% (Thai)	2001
4	Nongkhiew Wharf Project	Luang Prabang	Hotel and Restaurant	Concession	Lao owned 100%	2019
5	Phouvao Hotel	Luang Prabang	Hotel/ Accommodation	General	Joint Venture	1992
6	Tadthong Waterfall	Luang Prabang	Tourist attraction and restaurant	Concession	Lao Owned 100%	2008
7	Public Park	Luang Prabang	Tourist attraction and restaurant	Concession	Lao Owned 100%	2018
8	Discover Laos	Luang Prabang	Technology service	General	Joint Venture: Lao 40%, Foreign 60% (Singaporean)	2019 but My lao Tour companies runs since 2008

9	Villa Mali Boutique Hotel	Luang Prabang	Hotel/ Accommodation	General	Joint Venture: Lao 12.5%, Foreign: 87.5% (Nationality: French)	2009
10	Lao Su Ann Development Co., LTd	Vientiane Province	Hotel and Restaurant	Concession	Foreign owned 100% (Chinese)	NA
11	Vangvieng Latsamee Travel Co.,Ltd	Vientiane Province	Tour Operator	General	Lao owned 100%	2006
12	Riverside Boutique Resort Vangvieng	Vientiane Province	Hotel/ Accommodation	General	Joint Venture	2012
13	Vangvieng Elephant Sanctuary Tour	Vientiane Province	Tour Operator	General	Lao owned 100%	2018
14	Sanctuary Hotel and Resort, Wharf.	Vientiane Province	Hotel/ Accommodation	Concession	Foreign owned 100% (Chinese)	2016
15	Lao Frying Hot Air Balloon	Vientiane Province	Tour Operator	General	Lao owned 100%	2018
16	Namthip Travel Sole Co., ltd	Vientiane Province	Tour Operator	General	Lao owned 100%	2010
17	Wonderful Lao Tours Co., ltd	Vientiane Province	Tour Operator	General	Lao owned 100%	2017
18	Champa Garden and Restaurant	Vientiane Capital	Tourist attraction and restaurant	General	Lao owned 100%	2007 (Dok Souan Champa), 2016 (Champa Garden Restaurant)
19	Sofitel Luang Prabang Hotel	Luang Prabang	Hotel/ Accommodation	General	Lao owned 100%	2016
20	Riverside Tour Sole Co., Ltd	Vientiane Province	Tour Operator	General	Lao Owned 100%	2018 registered but provide service 2005
21	Houngnakhone Vangvieng Palace	Vientiane Province	Hotel/ Accommodation	Concession (30 years)	Lao owned 100%	2012
22	Explore -Asia Lao Tour	Vientiane Province	Tour Operator	General	Lao owned 100%	2013
23	Khanmark Leisure Development Sole Co., Ltd (Phattanakitchakan Travel)	Vientiane Province	Tourist attraction and restaurant	Concession	Lao owned 100%	2015
24	My laohome Hotel	Luang Prabang	Hotel/ Accommodation	General	Joint Venture: Lao 20%, Singapore 80%	2007
25	My lao Tour	Luang Prabang	Tour Operator	General	Lao owned 100%	2013

26	Amantaka Hotel	Luang Prabang	Hotel/ Accommodation	Concession	Lao owned 100%	2009
27	My dream Resort	Luang Prabang	Hotel/ Accommodation	General	Lao owned 100%	2011
28	Navigator International Tour Co., Ltd	Luang Prabang	Tour Operator	General	Lao owned 100%	2018
29	Hoikhua Waterfall (Lao Green Group)	Luang Prabang	Tourist attraction and restaurant	Concession	Lao owned 100%	2017/18
30	NAMDONG PARK	Luang Prabang	Tourist attraction and restaurant	Concession	Lao owned 100%	2017
31	Tiger tails Travel Co., Ltd	Luang Prabang	Tour Operator	General	Lao owned 100%	2000
32	Avani Hotel	Luang Prabang	Hotel/ Accommodation	General	Joint Venture: Malaysia 53%	2018
33	Khamsavang Vehicle Rental and Travel	Vientiane Capital	Tour Operator	General	Lao Owned 100%	2008
34	JDR Tour Laos	Vientiane Capital	Tour Operator	General	Joint Venture: Lao 30%, Korea 70%	2018
35	Xaymungkhoune Travel Sold Co., LTD	Vientiane Capital	Tour Operator	General	Lao owned 100%	2014
36	Green Discovery Laos	Vientiane Capital	Tour Operator	General	Lao owned 100%	2000
37	Sout chai Travel	Vientiane Capital	Tour Operator	General	Lao owned 100%	2010
38	Exo Travel	Vientiane Capital	Tour Operator	General	Lao 30%, Foreign 70%	2006
39	Vansana Travel	Vientiane Capital	Tour Operator	General	Lao Owned 100%	
40	Settha Travel & Tour Co., LTD	Vientiane Capital	Tour Operator	General	Lao Owned 100%	2009
41	Analine Travel	Vientiane Capital	Tour Operator	General	Lao Owned 100%	2005
42	Vansana Hotel	Vientiane Capital	Hotel/ Accommodation	General	Lao owned 100%	
43	LIL Tour Sole Co., ltd	Vientiane Capital	Tour Operator	General	Lao 100%	2018
44	Vientiane Investment and Development Co., LTD Crowne Plaza Hotel	Vientiane Capital	Hotel/ Accommodation	Concession	Lao 20% Vietnam 80%	2014
45	Booyong Golf Court	Vientiane Capital	Golf court	Concession	Korean 100%	TBC
	Other Key stakeholders					

46	Lao Business Women's Association	Vientiane Capital	Association			
47	Swiss Contact	Vientiane Capital	INGO			
48	Austcham	Vientiane Capital	Chamber of Commerce			
49	National University of Laos, Faculty of Social Science, Division of Tourism and Hospitality	Vientiane Capital	Training provider			
50	Lao Tourism Association	Vientiane Capital	Association			
51	Department of Tourism Development	Vientiane Capital	Government			
52	Lao National Institute of Tourism and Hospitality (LANITH)-Now Part of Pakpasak Technical College	Vientiane Capital	Training provider			
53	ADB	Vientiane Capital	International Organization			

Annex 4: Case Study of Government Policies to Encourage CSR Among Businesses

Country	Studies
Peru	Peru Established in 2006, the Peruvian government's voluntary "Mining Program of Solidarity with the People" aims to help alleviate poverty in Peru, especially in the country's mining regions. By 2008, 38 companies had signed individual five-year agreements with the government in which they agreed to contribute to the fund in years when the prices for metals are above the threshold determined by the contract (decided based on market and export prices). If the prices exceed the threshold, companies contribute roughly 3 to 4 percent of pre-tax profit. The funds are used for local and regional projects, and at least 30 percent is allocated to education, health, and nutrition programs. The Peruvian government does not require companies to contribute to the fund; however, the private sector is encouraged to participate as a way to improve relations between the government, business, and the community. Due to the constant tensions between private mining companies and local communities, firms view this initiative as a way to improve their relationships with people in surrounding areas. This type of policy has the potential to diminish conflicts and disputes between companies that extract natural resources and neighboring communities.

Canada	Although the Canadian government lacks formal policies promoting CSR with incentives or disincentives, two government agencies-Industry Canada (IC) and Foreign Affairs and International Trade Canada (DFAIT)-have successfully raised awareness in the private sector of CSR and its advantages. Both IC and DFAIT seek to grow the Canadian economy and improve domestic conditions for investment and its competitiveness abroad. Within this mandate, both agencies promote CSR principles and practices to Canadian businesses because "it makes companies more innovative, productive, and competitive." IC's user-friendly website (www.ic.gc.ca) provides information and links to tools that businesses can use to advance their CSR activities. DFAIT actively encourages companies operating abroad to have strong CSR programs and to communicate with local governments and citizens. For example, Canadian embassies abroad are used as venues to hold dialogues on CSR and the conduct of Canadian firms.
Singapore	ASEAN CSR Network (ACN) is an International Charity Organization registered in Singapore and accredited in ASEAN. Together with participating organizations from ASEAN countries, ACN has outreach of more than 30,000 companies, business associations, and Civil Society Organizations (CSOs). Currently the priority areas are business integrity, business and human rights, food security and sustainable agriculture, and access to finance. ACN provides CSR knowledge and training services to businesses, especially SMEs, in the region (www.asean-csr-network.org/c/).w

Annex 5: Government Policies in Some Countries to Encourage CSR Among Businesses

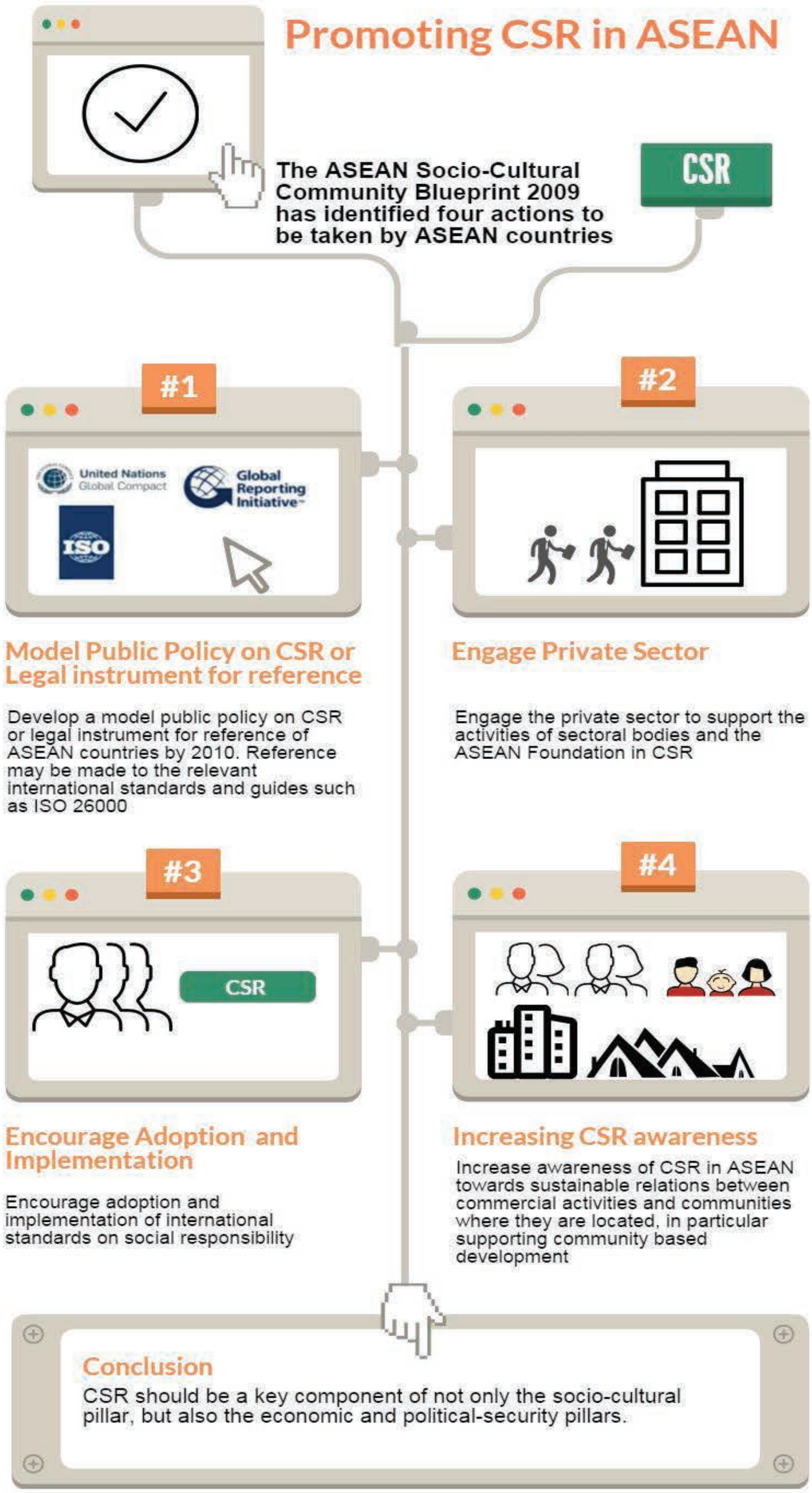
Type of Policy	Country	Agency	Instrument	Description
Binding Standards	Brazil	Ministry of Labor	Combating child labor	National programs and the creation of a database of child labor focal points
	Brazil	Ministry of Labor	Publishing materials and national campaigns	Promoting sustainable economic activities and SMEs
	China	Chinese Communist Party	Labor Contract Law	The law requires companies to provide new protections for workers
	Sweden	Ministry of Foreign Affairs	Companies commit to complying with OECD and Global Compact guidelines	Government promotes CSR through Swedish Partnership for Global Responsibility and provides members with workshops, seminars, and other engagement platforms
	United Kingdom	British Standards	Certification	Development of consensus-based standards for stakeholders

Voluntary Guidelines	China	Chinese Communist Party	CSR Guidelines for State-Owned Enterprises	The guidelines urge SOEs to embed CSR policies into their business strategy
	Peru	Ministry of Mining and Energy	Community relations guide and rules for citizen participation	Guidelines for companies to use in design and implementation of CSR
	Canada	Foreign Affairs and International Trade Canada	CSR events	Canadian embassies hold CSR events in various countries
CSR Awareness Raising	Canada	Industry Canada	Training for business on benefits of CSR; resources available on website	Workshops, online resources, and toolkits
	China	Government of Shenzhen	Public Hearing on CSR	Education of local businesses on the importance of CSR
Funding for CSR Implementation	Brazil	The National Economic Development Bank	Funds for CSR projects	Bank has funds especially allocated to CSR projects
	Mexico	Ministry of Economics	Funds to improve competitiveness of SMEs	Part of the allocated funds go to CSR programs
	Sweden	Swedish Business Development Agency	Funds for CSR projects	Promoting CSR in SMEs through the creation of business development tools, case studies, and regional incubators
Public Recognition	China	Shenzhen Enter-Exit Inspection and Quarantine Bureau	Credit blacklist	Companies that break labor laws are exposed on public list

Source: https://www.bsr.org/reports

Annex 6: ASEAN Blueprint 4 Actions to Promote CSR

In ASEAN, promoting responsible business or CSR is one of key strategies to achieve "justice and rights" as highlighted in the ASEAN Socio-Cultural Community Blueprint 2009 and also has identified four actions to be taken by ASEAN countries:



Source: http://asean-csr-network.org/c/responsible-business-forum-newsroom/infographics/358-promoting-csr-in-asean

ກົມສົ່ງເສີມການລົງທຶນ

INVESTMENT PROMOTION DEPARTMENT

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Austrian Development Agency

European Union

NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

Norwegian Ministry of Foreign Affairs

Sweden Sverige

Swedish International Development Cooparation Agency