ABSTRACT

The article presents the concept of the triple bottom line, which proposes a way of thinking about the social responsibility of the stakeholders of homestay business who is concentrated only on earning profit, but also the Earth and the future generation (profit, planet, people). These businesses must practice objectives that are on the one hand economically justified, on the other hand, ecologically acceptable and socially expected. This involves active involvement and investment on those assets which leads to reducing the environmental hazards due to over utilization and exploitation of existing resources. Implementation of the described concepts in business practice is not easy but if implemented it will definitely lead to a sustainable business. The author has sought to verify the selected issues on the basis of opinions of surveyed homestay operators and proposes to imply the concept of TBL for the sustainability of the Homestay business at Kodagu district. The purpose of research was to identify the concerns bothering the homestay operators and suggesting the strategies to be adopted to overcome these concerns using TBL model. The homestay sustainability can be achieved if there is a proportionate mix of elements such as stakeholders’ engagement, environmental management systems, sustainable accounting systems and life cycle analysis of social and environmental products they use. The innovative and adaptable sustainability at homestays will sustain the concept of homestay as ‘Home away from Home’.

Keywords: Triple Bottom Line, Homestay, Stakeholders, Sustainability.

INTRODUCTION

Sustainable tourism is emerging as a major trend around the world, as people come to realise the ecological and social impact of tourism. A sustainable tourism requires close association between community, private and public sectors. From the perspective of economics, leisure landscapes are common goods supported by multi-functional ecosystems and this is why cooperation between different stakeholders is so essential.

The best way to understand these interrelations and the impact for sustainable tourism is to critically examine the tourism products, which could be an integral ingredient for sustainability. One such product is Homestay, which is popular among the eco-tourists. A key element of Community Based Tourism and a sign of working class sentimentality, is the boundless accessibility of chances for guests to stay overnight with a host family in a rural community. Rural homestays allows guests to get a glimpse at the everyday lives of local residents and therefore serve as a means of experiencing a local community in ways that contrast from traditional tourism interactions and settings (Dolezal 2011).
 WTO (1999) has defined, “sustainable tourism development meets the needs of present tourists and hosts regions while protecting and enhancing opportunities for the future”. Likewise, sustainable tourism has been defined as a tourism which is economically feasible but does not rescind the resources on which the future of tourism will depend, particularly the physical environment and the social quality of the host community (Swarbrooke, 1999).

In recent years, involvement and participation of local communities has been regarded as a central focus of sustainable tourism development (Murphy, 1985; Richards and Hall, 2000; Tosun, 2000; Stronza and Gordillo, 2008; Scheyvens, 2002). Such emphasis echoes the bottom-up, people-centred approach in development, which has been regarded as inherently positive for change (Chambers, 1994). Tosun (2000), for instance, recommended that community participation may potentially serve as a tool to readjust the balance of power between local communities and external stakeholders in order to prevent manipulation of a community in the development process.

THEORETICAL FRAMEWORK

At present, the concept of 'sustainability' has evolved due to its introduction in the development studies, which addresses the present-day debate over how region have to be revived, redeveloped, and renewed. According to Basiago (1996), ‘Sustainability’ is regarded as either the proper means or the proper end of urban development. Now days, it is common in urban planners team to describe efforts to overturn problems of urban fall, overcrowding, and decline as a search for 'urban sustainability'.

Kahn (1995), writes that the paradigm of 'sustainable development' described in Agenda 21, in fact, rests on three conceptual pillars. These pillars are ‘economic sustainability’, ‘social sustainability’, and ‘environmental sustainability’ (Table 1).

**Economic sustainability**, by way of growth, development, and productivity, has guided conventional development science in the past. Market allocation of resources, sustained levels of growth and consumption, an assumption that natural resources are unlimited and a belief that economic growth will ‘trickle down’ to the poor have been its hallmarks. ‘Sustainable development’ expands development’s concern with monetary capital to consider natural, social and human capital. Restraint upon economic growth and consumption which deplete these is favoured(Kahn, 1995).

**Social sustainability** encompasses notions of equity, empowerment, accessibility, participation, sharing, cultural identity, and institutional stability. It seeks to preserve the environment through economic growth and the alleviation of poverty.

**Table 1:** The paradigm of sustainable development in Agenda 21 as elaborated by Kahn 1995

<table>
<thead>
<tr>
<th>Element</th>
<th>Criteria</th>
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<tbody>
<tr>
<td>Economic Sustainability</td>
<td>Growth</td>
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<td></td>
<td>Development</td>
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<td></td>
<td>Productivity</td>
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<td>Trickle Down</td>
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<tr>
<td>Social Sustainability</td>
<td>Equity Empowerment</td>
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<td>Accessibility</td>
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<td>Sharing</td>
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<td>Cultural Identity</td>
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<td>Institutional Stability</td>
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Environmental sustainability involves environment integrity, delivery capacity and biodiversity. It requires that natural capital be maintained as a source of economic inputs and as a descend for wastes. Resources must be harvested no faster than they can be regenerated. Wastes must be discharged no faster than they can be digested by the environment (Kahn, 1995).

The theoretical framework elaborated by Kahn states that economic, social and environmental ‘sustainability’ must be ‘integrated’ and ‘interlinked’. They must be coordinated in a comprehensive manner. Only by ‘integrating’ and ‘interlinking’ economic, social and environmental ‘sustainability’ can negative synergies be detained, positive synergies promoted, and real development encouraged. A dynamic system could be formed by the incorporation of three key elements such as Economic, social, and environmental ‘sustainability’, they cannot be pursued in isolation for ‘sustainable development’ to flourish.

Triple bottom line concept, One of the foundations of Corporate Social Responsibility is the concept of the triple performance line which results from the paradigm of sustainable development and is based on the search for balance between the three dimensions: economics, ecology and ethics (Reichel, Oczyp (eds.) 2011, p. 52). Krajnc and Glavič (2005), have explained the triple bottom line as “the creation of goods and services using processes and Triple bottom line concept in theory and practice systems that are non-polluting, conserving energy and natural resources, economically viable, safe and healthful for employees, communities and consumers, socially and creatively rewarding for all working people.” Andrew, Savitz [2006] in turn explains that the triple bottom line “captures the essence of sustainability by measuring the impact of an organization’s activities on the world... including both its profitability and shareholder values and its social, human and environmental capital.”

The notion “bottom line” itself refers to company’s net earnings, namely to the sphere of economics. The triple bottom line additionally includes the social and the environmental sphere. The triple bottom line helps organizations look not only on the economic value that they generate but also it makes it possible to incorporate environmental and social values, which may be multiplied or reduced, into the assessment of their activities. This is accompanied by the assumption that despite the commitment of companies in generating value, in practice they are also involved in processes destroying certain values. In the narrowest meaning, the triple bottom line may be used as the basis to measure and report the company’s performance regarding business, social as well as environmental parameters. In the broadest meaning, this notion is used to grasp the entire set of values, problems and processes that a company needs to take into account in order to minimize any harmful effects resulting from its activities as well as to generate economic, social and environmental value. This is related to clear vision regarding the company’s purpose and taking into account the needs and expectations of stakeholders in the company’s policy and activities [Jonker, Rudnicka, Reichel 2011].

Application of Triple Bottom Line approach in investments in projects is the latest dimension of trend shaping tourism-related investment, which seeks returns on investment that are financial, social, and environmental. A related trend is social investing, where the primary focus is on using investment to affect social change. Also referred to as socially responsible investing (SRI), the aim is to evaluate
social impacts of investments, both positive and negative. According to The Social Investment Forum (www.ussif.org), SRI now accounts for more than 10% of total U.S. investment (US SIF: The Forum for Sustainable and Responsible Investment, undated).

A more recent and closely related trend is impact investing, which in general is more project- or venture capital-focused, as opposed to social investing, which typically focuses more on portfolio investment (minority stakes in a range of investments, through securities and other more traditional investment vehicles). Impact investing composites social benefits and private equity to more sustainably achieve social objectives through the development of self-financing initiatives and enterprises that generate triple bottom line returns. Recently, networks of angel investors, professional venture capitalists, and foundations such as the Investor’s Circle (www.investorscircle.net) have been created to promote impact investment by sharing knowledge, experiences, and resources, and provide funding for projects.

METHODOLOGY

The present study is the working paper on homestay investment and its impact on income sustainability. The survey method was conducted, where One hundred and ninety seven homestay operators were asked about their concerns for operating the homestay business. The data is collected through structured questionnaires and personal interview to understand their viewpoint on running the homestay. As the data was analysed, it was clear from the responses that profit making remained the prime objective, and sustainability was not at all considered as a business policy. Therefore, the present study draws strategies that could be adopted to transform the homestay business to a sustainable business in a long run with the help of Triple Bottom Line Model.

OBJECTIVES

The present study attempts to identify the issues concerning the homestay owners/operators and suggesting the strategies to be adopted to overcome these concerns using TBL model.

FINDINGS AND DISCUSSION

The homestays at Kodagu have grown rapidly over the years, upto 2001 only 5.08% were established. From 2001 onwards, the growth has improved to 15.23% having 30 registered homestays. The period between 2006 and 2011 made a huge mark in the establishment of homestays at Kodagu having 86 registered homestays with a growth of 58.88%. They are still growing till date, with 81 homestays in 2016, and so far 404 homestays have been registered. But there are unaccounted number of unregistered homestays are still existing and marking their own earnings from it.

As the number of homestays increased, the average amount of investments on this business has also increased over the years. In the early 2001, the amount invested was very less as the concept of homestay was very much new, and who started it did not invest much in it as they started it with the existing resources. As the popularity grew, people invested more and more into establish homestay not only within the house but also as a separate unit next to the house, which saw its highest growth of 60% in just 15 years. The last 5 years have been a boom in the homestay business having an average investment of ₹21,67,160, which shows the development of homestay as a booming business.

More than half of the total investment by the homestay owners and operators is spent on either renovation or construction of the house or building (as a separate unit). The next priority of investment is furniture and fixtures which is almost 22%. Around 14% are on land and then constructed a unit for homestay business. Generator or UPS is a basic requirement in any house, therefore there was not a separate investment amount for it but it was a part of household requirement.

All these assets accounted only for the successful establishment and operation of the homestay business, but major lacking dimension is the investment for sustainability. To protect and survive the challenging and competitive future, homestay operators must anticipate the evolving nature of strategic management and the environmental shifts that have led to new perspectives. Before suggesting the
strategies, the factors concerning the host community had to be addressed. The researcher has classified the concerns under three dimensions, namely: Economic, Social and Environmental concerns.

**Economic concerns**: The economic concerns are those factors which are affecting the livelihood of the operators; such as registered v/s unregistered homestays, taxable income, changing government regulations, competition intensification, increasing cost of production and services, uneven pricing systems, diversified financing resources and unsystematic evaluation of investments and returns.

**Social Concerns**: The changes in social-cultural trends, lack of healthy competition, disparity in status and shift from service providing to profit making.

**Environmental concerns**: Exploitation of environment for extension of house or construction of additional building, lack of investment on eco-products like waste management.

Further, the strategies to be adopted are based on the Triple bottom Line (TBL) i.e. People, Planet and Profit. The TBL and its core value of sustainability have become compelling in the business world due to accumulating anecdotal evidence of greater long-term profitability. The present homestay businesses don't invest on the sustainability assets, which is in higher need for the better future. Therefore the following strategies have been adopted in order to create value to the stakeholders.

The homestay operators have to focus on the following measures

1. **Economic Measure**: Economic variables ought to be variables that deal with the bottom line and the flow of money. It could look at income or expenditures, taxes, business climate factors, employment, and business diversity factors. Specific examples include:
   - Mandatory registration of homestays at Tourism department.
   - Accounting for the income earned.
   - Effective cost management techniques such as Activity based costing.
   - Forming association for dealing with price commonality.
   - Feasible implementation of financing budgeting.

2. **Social Measures**: Social variables refer to social dimensions of a community or region and could include measurements of education, equity and access to social resources, health and well-being, quality of life, and social capital. The examples listed below are a small snippet of potential variables:
   - Training for the homestay operators on service providing and sustainability.
   - Spreading awareness for the need of sustainability.
   - Creating association for combating price discriminations.
   - Conversion to a registered unit.
   - Platform for viable competition.

3. **Environmental Measures**: Environmental variables should represent measurements of natural resources and reflect potential influences to its viability. It could incorporate resource management from land to human, waste management to solar system utilization. Ideally, having long-range trends available for each of the environmental variables would help organizations identify the impacts a project or policy would have on the area. Specific examples include:
   - Investment on waste segregation unit.
   - Cultivation of organic farms.
The following model is built to understand the three dimensional concerns and the strategies to overcome these concerns. It is a modified by the researcher according to the need of Homestay business sustainability.

CONCLUSION

Business sustainability is often defined as managing the triple bottom line - a process by which organisations manage their financial, social and environmental risks, obligations and opportunities. Homestay requires the knowledge of sustainability as it is that form of tourism product, which attracts its customers for its eco-friendly hospitality and services. The homestay sustainability can be achieved if there is a proportionate mix of elements such as stakeholders’ engagement, environmental management systems, sustainable accounting systems and life cycle analysis of social and environmental products they use. The innovative and adaptable sustainability at homestays will sustain the concept of homestay as ‘Home away from Home’.

FUTURE STUDY

The study has covered only selected registered homestays for deriving the output on sustainability, further research can include all homestays including un registered, across the Kodagu district. This will provide opportunity for better generalisation of the research on the sustainability application at homestays. In order have a healthy competition among the homestay business and to contribute towards the development of the Indian tourism industry, researchers can focus and adopt ‘integrating’ and ‘interlinking’ economic, social and environmental ‘sustainability’ at homestays across India.

REFERENCES


