

## TRAVELLERS'PHILANTHROPY CONFERENCE

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I represent Tourism Concern, which advocates trade, not aid.

Let me tell you a little bit about my experience of aid. Or should I call it international philanthropy? I came to Tanzania 28 years ago and found a country rich with wonderful cultures, extraordinarily thoughtful, bright and optimistic people and a country embedded in poverty. There wasn't much tourism at that time because a wise Tanzanian sociologist wrote a little book advising the country not to develop its tourism like Kenya and become a nation of servants.

I have returned to find a country still rich and beautiful but which continues to have many people embedded in poverty. Yesterday, at this conference, I was shown photos of women who have to trek 18 kilometres to get water and who still cook with charcoal.

I grew up with pictures of women crying water on their heads in Africa and as children we gave money so that they could have taps like us. I come back today and women still carry water on their heads. And as for tourism, serious development has now been around for at least twenty years in Tanzania, and aid and charity have been around even longer. Something has gone incredibly wrong with aid. Why should philanthropy be any better?

In order for there to be real developmental change for the poor, there have to be structural changes in trade to make it more equitable for everyone. Charity or philanthropy does not bring about change in any structural way. It is not enough that some children would receive schooling they would otherwise not because of charity, or that people will get medical help when they would otherwise not. Not

when they do not receive a living wage for their work. When I lived in this country all those years ago, I discovered that aid primarily benefited the donor, especially the donor countries. Aid and charity should have a position as offering added value to fair trade.

When I talk about a living wage, I remember how in Kenya, a few years ago, a bomb went off on the Mombassa coast in an Israeli owned hotel. Several local employees were killed. Their families were so poor that they could not afford to bury them. Why is it that these employees, in full-time employment, were still living in poverty? Charitable donations were made by guests so that they could be buried. What had gone so wrong that the families had to appeal to charity to bury them?

As you all know, tourism is an export, service industry and is part of world trade. It is a part of the general agreement in trades and services, GATS. Of course what makes it so different from other industries is that as international travellers we consume it at the point of production.

International travelers can travel independently – as many do – but we can also travel in a package. The supply chain that makes up that package is unbelievably complex. One big hotel alone can have thousands of suppliers. I would like to focus on the possibility of tourism becoming fairly traded so that those involved in the supply chain can rely on fair wages and contracts and decide for themselves how best to spend their income rather than look to charity.

## FAIR TRADE IN TOURISM

Tourism Concern is working to put fair trade tourism into practice. Fair trade tourism would aim to strengthen the bargaining position of local destination stakeholders, facilitate equitable market access for small stakeholders, raise awareness amongst consumers and influence international trade policy.

Fair Trade tourism is a key aspect of sustainable tourism, It aims to maximize the benefits from tourism for local destination stakeholders through mutually beneficial and equitable partnerships between national and international tourism stakeholders. It aims to ensure that those working for tourism businesses have good working conditions and a living wage. It also supports the right of indigenous host communities, whether involved in tourism or not, to participate as equal stakeholders and beneficiaries in the tourism development process.

#### MAIN CRITERIA

The main criteria for fair trade tourism include equitable consultation and negotiation, taking into account the interest of local community stakeholders. Transparent, anti-corrupt and accountable business operations must take place following environmental and social audits. Local people should be employed in order to provide opportunities for developing their potential, which would include training and development for managerial positions. Investors must also adhere to relevant regulations, whether derived from local, national or international regulation.

#### CORPORATE SOCIAL RESPONSIBILITY

Fair trade tourism would be embedded in corporate social responsibility policies. Tourism Concern has long advocated that national and international tourism companies must accept CSR in their day to day practice in order for the industry to be genuinely sustainable.

Since the mid-1990s, the concept of CSR has become an essential framework for changing management practice. This has happened in order to regain consumer confidence against a background of decreasing public trust in business standards and ethical behaviour. Major industry players outside of tourism see the principles and practice of CSR as a tool and pre-requisite for responsible and sustainable development of industrial and service operations.

CSR is based on the premise that sustainability cannot be achieved without corporate acceptance of responsibility to society at large as well as to shareholders. Such responsibility has to be integrated into every aspect of corporate policy and practice. Major players in the business world now see this as an essential component of visionary good practice strategy. However, tourism and hospitality businesses lag far behind. CSR is not philanthropy. It is ensuring that the benefits from business reach all stakeholders and that the business practices are transparent and accountable.

Despite some very good work by international hotel companies, particularly in environmental protection, hotel development too often continues to degrade vulnerable environments and communities the world over. Hospitality, which is a service for the relatively wealthy, is particularly vulnerable to accusations of irresponsibility and damaging business practices as hotels operate in some of the most disadvantaged and poorest communities in the world.

As already pointed out, a key point for CSR and fair trade tourism has to be working conditions. In 2004 Tourism Concern published its research into labour standards: *Labour Standards, Social Responsibility and Tourism*. The objective of the report was to question the exclusion of labour rights and working conditions from the dialogue on CSR in the tourism sector. Research was undertaken in five popular destinations – Mexico, Bali, the Canary Islands, Dominican Republic and Egypt. A selection of hotels was chosen to be representative of those destinations and both staff and management were interviewed. All hotels selected were in current brochures of major European tour operators and many were also used by North American operators.

The research exposed the debilitating effect that poor labour conditions has on the local economies of poor countries, preventing the development of decent livelihoods and trapping many into poverty. It also showed widespread ignorance of labour rights, by employers as well as the workers themselves. It highlighted

an urgent need for the tourism industry as a whole to examine why workers fare so badly in this hugely wealthy industry and for tourism businesses to focus on labour conditions in their quality management processes and CSR agendas.

As a result of our work the biggest UK operators now have a common checklist for their suppliers. It is laudable that companies are putting together sustainable checklists to drive up standards. Yet we know from the experience of other industries that voluntary checklists have little impact unless they are accompanied with well thought-out independent auditing. The UK's Ethical Trading Initiative, a collaboration with the big international retail brands, has been looking at these issues for ten years. There is a wealth of knowledge and experience if committed tourism companies are serious about improving their business practices. Voluntary checklists are where other industries started ten years ago.

Far better is the innovative labour audit Tourism Concern designed and developed as part of its campaign, in order to enable hotels to evaluate their labour standards and establish best practice. The audit includes the Tourism Concern Standard for Labour Conditions in Tourism and a support guide with detailed explanations of the elements of the standard and how they relate to the tourism industry as well as evaluation approaches and report forms.

Let me finish with a story. Hill tribe people who knew nothing about fair trade but who offer hospitality in the north of Thailand decided, with the support of a local, capacity building NGO, to let UK tour operators know what they wanted from their relationships with operators and guests. They wanted the operators to understand what sort of people they would prefer to stay in their communities and the prices that should be paid for what they had to offer. After considerable preparatory work, ten UK operators met with ten Thai ground handlers together with representatives of the local communities in a two day meeting in Bangkok this year. The villagers are used to receiving 50 cents for bed and breakfast but

wanted a fairer price. The UK operators considered themselves for the most part to be ethical but were anxious about changing their trusted partnerships with exploitative operators to others who had guaranteed that they would respect the local communities and pay their fair price. The Hill Tribe representatives were coherent, sensitive and clear. They wanted tourism but only on their terms. They had been paid very low prices for far too long.

It was one of the most extraordinary meetings I have ever been to. When do tour operators usually meet with indigenous people to discuss business on equal terms? It had been a massive piece of work for the organizers. The tour operators were not comfortable with the new price of two dollars for bed – with breakfast extra – or with paying the local guides a fair price, but understood the arguments and agreed to the new contracts. Over many years operators have been able to pay less than a subsistence price for services from local people, but this was hopefully a meeting that will herald a new dawn: local people engaging as equals and successfully challenging the status quo.