

# **A History of the World Tourism Organization**

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# A History of the World Tourism Organization

**PETER SHACKLEFORD**

*UNWTO, World Tourism Organisation, Spain*



United Kingdom – North America – Japan – India – Malaysia – China

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## About the Author

**Peter Shackleford** (London, 1945) was awarded a Bachelor of Arts degree in Philosophy, Politics and Economics at Keble College, Oxford University, in 1967 and a Master's degree at the University of Sussex in Industrial Economics and Organizational Psychology in 1968. His Master's thesis concerned 'Consumer Information Services'. In the same year, he was offered and awarded the post of Research Officer in the International Union of Official Travel Organizations (IUOTO) at its Geneva headquarters in Switzerland. His main tasks were tourism research, economics and statistics. During his time with the IUOTO, he attended a UK Civil Service Management Course organized in Edinburgh in 1974–1975. Following the move of IUOTO to Madrid, Spain – and with UNWTO as the new acronym – in January 1976 Secretary-General Robert C. Lonati (France) appointed him to the post of Deputy Chief of the Research Service. In 1980, he was promoted Chief of the same service and has since assumed a wide range of responsibilities including Secretary to the UNWTO Executive Council and Director of Administration. On retirement in 2008 – and after visiting more than 70 Member States – he was given the title of Special Adviser to the Secretary-General. During his period with UNWTO, he has contributed to numerous articles and reports on travel and tourism, notably: 'Planning for Tourism – Research Needs in a Growth Industry', *Futures*, February 1979, IPC Business Press and 'Keeping Tabs on Tourism: A Manager's Guide to Statistics' 1980 IPC Business Press.

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# Preface

## The World Tourism Organization in Perspective – A Preface

By the time this book is published, it will be 95 years since a small group of officials responsible for tourism from various European countries gathered together in The Hague to take part in a Congress which opened on 9 May 1925. It was the beginning of a long story in which the reader will observe both *continuity* and *evolution*.

The continuity resides in the fact that the participants attending the 1925 Congress were remarkably similar to those who now meet together under the aegis of the World Tourism Organization – the universal, intergovernmental, Specialized Agency of the United Nations. Their job titles – Directors of Tourism – are essentially the same even though today, in UNWTO, they will be accompanied and supported by diplomats from the relevant Foreign Ministries. They will also come from more than 150 countries, representing every continent.

The evolution is remarkable. Tourism is no longer an activity reserved for wealthy travellers – nor even modest pilgrims – it is a global phenomenon involving well over a billion international arrivals in 2017. Moreover, tourism and travel have become major components of the world economy, earning over a trillion US dollars in the same year. This spectacular change is attributable in essence to two factors. Firstly, while inns and hostels have existed over many centuries, the means of travel have evolved dramatically. Initially the railways, then the automobile and finally the airplane have made tourist travel both possible and affordable. In parallel, and during the 1930s in particular, the concept and the implementation of holidays-with-pay has become virtually universal. Thus the financial means of travel has been coupled with the mechanical means of movement giving rise to an unprecedented growth in travel, especially long-distance movements.

Also, from the 1850s and onwards, the first Conducted Tours were taking place, guided notably by Thomas Cook, Karl Baedeker and others.

That is not to suggest that tourism is somehow ‘new’. On the contrary, travel for purposes of trade and commerce, for family visits or for religious pilgrimages, are described in the histories of every nation. Indeed, while the means of transport were more rudimentary, the motivation for travel centuries ago appears to have been as strong as today, contemplating leisure, trade, religion, study and health.

Why did the Dutch Director of Tourism take the initiative of convening a congress in 1925?

The reason lies in the economic situation of Europe. Conducted tours had come to a sharp halt following the outbreak of the Great War in 1914. A recession was under way in the postwar (after 1918) period and commerce was suffering. Given the importance of trade for the Netherlands, the former Minister (now Director of Tourism) believed that efforts should be made to boost tourist travel, given its importance as an invisible export.

On the date concerned – 9 May 1925 – there were at least *two* major problems requiring attention. First, movement of persons now involved the issue and use of passports and visas, whereas prior to the 1914–1918 War travel documentation had been scarcely necessary. Second, the promotion of tourism required what was then termed ‘tourist propaganda’. This consisted of brochures, films, touring maps and posters and their dispatch to potential source countries. Unfortunately, cross-frontier mailing of promotional material was often a lengthy process even requiring customs duties to be paid.

Given that cinema, radio and television were in their infancy, potential travelers had little opportunity to imagine what a destination country might look like. Word-of-mouth was a possibility but could scarcely reach large numbers of potential visitors. That is why the reader will find that, during the 1925 Congress, every effort was made by the hosts to show off the attractions of the Netherlands. Indeed, as much time would be spent in visiting the country’s tourist attractions as in conference halls discussing ways and means of resolving barriers to travel. Needless to say, the Dutch initiative proved to be remarkably well received by participants and it was decided to create an embryonic Secretariat in The Hague. In the next few years, Congresses were held in various European neighbour countries and enjoyed the same level of success. No financial contribution was expected of countries attending until 1927 – when a levy of 100 Dutch florins was agreed– though each hosting country proved to be remarkably generous in looking after its foreign visitors.

It was in Madrid, Spain, on 27 September 1930 in the new ‘Palace of Communications’ that the annual congresses were formalized into a Union, with participants becoming members of the International Union of Official Tourist Propaganda Organizations (IUOTPO). This was a non-governmental international body governed by legislation drafted in the host country of the Netherlands and using French for its communications. It was decided that there could be only *one* official travel organization per country. By the mid-1930s, the Union was making progress in addressing matters of concern (statistics, promotion, frontier formalities, etc.), and in 1935 the Union President participated in the work of the Economic Committee of the League of Nations (predecessor of the United Nations) when tourism was once again identified as a service industry that could help countries out of recession. This history is intended to guide the reader through the fascinating story of travel and tourism. We hope you will enjoy it.

It was, however, soon after these positive moves that World War II began and, with it, liquidation of the Union’s headquarters.

While it had held no office in the IUOTPO, the UK embarked – post World War II – on a plan to earmark tourism as a means of post-war reconstruction. Indeed, the enthusiasm with which the British set about organizing a global international conference on this subject in London in October 1946 is quite remarkable given that country's subsequent cautious attitude to an intergovernmental UNWTO. The worldwide character of what would now become IUOTO reflected, of course, the extent of the UK's overseas territories. Moreover, the possibility that European tourism administrations could benefit from the Marshall Plan seems to have motivated the British hosts appreciably. Two main objectives were emphasized during the World Conference: one moral and one economic. The *moral* objective aimed to build up greater friendship between the peoples of the world – personal contact being the best antidote to suspicion, fear and possible hostility. The *economic* objective was to enlarge the scope of international trade, bringing consumers to goods as well as goods to consumers and adding value to resources that were previously considered valueless – a snow-clad mountain or a strip of sea coast.

With 41 countries attending, the London World Conference was a notable success and an Exploratory Committee was set up to chart the way ahead. This was fortunate since the UK needed to be reminded – as it was in February 1947 – that the IUOTPO had not totally disappeared and still existed, albeit in a dormant state, in The Hague. Fortunately, this continuity was respected and it was agreed that the Union would resume its activities with revised (and lengthier) Statutes and a new name, the '**International Union of Official Travel Organizations**'.

The most senior member of the Exploratory Committee was Mr G B Lampe, Director of the Norwegian Tourist Office, who had attended the 1925 Congress. He was sensibly appointed President of the Union and steered the founding members in adapting the Union to its new responsibilities. Two types of membership were contemplated. There were Full Members, defined as 'National Travel Organizations established by their governments' and Associate Members representing mainly international associations of special travel interests. There could only be one Full Member per country. English would now join French as an official language. It was agreed that all resolutions adopted by the IUOTO would be transmitted to the brand new Economic and Social Council of the United Nations (ECOSOC) while, thanks to a fortuitous meeting between Mr Lampe and the new UN Secretary-General Mr Trigrve Lie (both Norwegians), the Union was officially recognized as enjoying consultative status with ECOSOC.

There were now two main issues to be considered: the location of the headquarters and the structure of the Secretariat. After hesitating between The Hague, London and Oslo, the Members opted for Geneva. This venue was strongly supported by Members, while the Swiss delegate, Mr Siegfried Bittel, greatly facilitated the process of choice. It was also agreed that there should be a full-time Secretariat with a full-time Secretary-General.

IUOTO's Executive Committee now began the search for 'a first-class man' who turned out to be proposed by the French delegate supported by the Committee Chair, Mr Ernest Wimble (Great Britain). He was Mr François Morin.

Until 1949, all Full Members had paid the same contribution. Now, with the need to finance a full-time Secretariat, it was decided to assess a differential contribution from the wealthier Members. The USA and, at some stage the USSR, would be in the wealthiest category, the calculation being based in essence on the contribution paid to the United Nations.

The move to Geneva took place in January 1951, the Secretariat actually being located in a hotel close to the city centre. The Union had now 45 country members with a budget of 92,750 Swiss Francs.

The new international body would certainly be busy. No less than six study commissions were established, notably one responsible for the well-known 'International Travel Statistics' and another addressing passports, visas and frontier formalities. In addition, four regional commissions were established. Finally, the Union would also hold an Assembly every year in a different location. The programme of work was certainly ambitious. As for the Secretary-General, he desired to visit the Member countries to see for himself the situation and prospects of each one, with the result that he was often away from the Headquarters.

It was not long before the Auditors (Luxembourg and Sweden) warned that the financial situation was becoming unsustainable. The problem was not funding. The convertibility of the Swiss currency (unlike many of its neighbours) ensured that contributions arrived promptly. The fact was that the Union was doing too much and over-spending. The first call to order came in 1952 and the second in 1956. Frank and complete discussions took place. By this time, the Executive Committee had serious doubts about the effectiveness of François Morin whose contract would be terminated on 22 May 1957.

The unexpected successor of Morin would be a journalist by profession. From Nice, France, Robert C Lonati was the IUOTO's Press Officer and showed appreciable talent. He was a person who could 'lead the Organization with dignity, achieve the maximum efficiency at the Geneva bureau and bring new ideas to the Executive Committee' (International Union of Official Travel Organizations (IUOTO) Executive Committee, 1957). He would also accept remuneration corresponding to 60% of that of his predecessor. 'An international economist being paid a clerk's salary!', declared the US delegate ironically.

But Robert Lonati would be appointed Secretary-General by the 12th International Congress and General Assembly at Washington, DC, on 8 November 1957 and remain in that post for 28 years until 31 December 1985.

Robert Lonati had just turned 39 when he took up his new job. He was a handsome man, of medium height and with a resolute appearance. Always impeccably dressed, he had been an Olympic athlete in his youth and had moved to Switzerland to take up the journalist post offered by the French News Agency.

The IUOTO of those days was a non-governmental organization subject to Swiss private law and with some 60 member countries. Given the physical proximity of the United Nations, Lonati was frequently in touch with UN diplomats and found it difficult to understand why the Ministers and Directors of Tourism who attended IUOTO meetings did not also enjoy inter-governmental status. He saw this as a contradiction and redoubled his efforts to enhance his contacts with the United Nations and, more specifically, with ECOSOC.

Fortunately, an opportunity arose. The United Nations was planning an international conference on passports, visas and frontier formalities. However, its officials had scant knowledge of the issue and therefore turned to IUOTO for guidance. With the support of his new President, Mr Som Chib, a senior Indian government official and a renowned broadcaster, Lonati secured a budget that would finance the conference, scheduled to take place in Rome, Italy, in August 1963 and be attended by 87 States. The Conference was remarkably successful and addressed not only the subject of frontier formalities but a large number of broader issues falling within IUOTO's remit. Above all, the Conference recommended that **the United Nations should consider IUOTO as its main instrument for the promotion of tourism.**

There is no doubt that the personality of Robert Lonati helped to secure an increase of membership (82 Full Members by 1962), a substantial increase in the budget (50% was approved) and a thorough review of IUOTO's non-governmental status. In this process he was assisted by a series of Presidents who strongly supported their Secretary-General. They included Tim O'Driscoll of Ireland and Basil Atkinson of Australia. Like Chib, they were all 'larger than life' and appeared ready to form their own personal opinions rather than seeking briefings from their governments.

That is one of the ironies of the transformation. In the non-governmental IUOTO, Presidents could say what they wished (and did so) whereas in the intergovernmental UNWTO, the President's task would be limited to presiding over meetings.

What other strategies did Robert Lonati adopt to ensure that IUOTO would prosper?

Firstly, he spent a great deal of time on the telephone listening to and responding to the concerns and ambitions of Members, especially the developing countries who looked for the technical assistance in tourism that could not yet be offered by IUOTO given its non-governmental status. Secondly, he travelled widely to meet face-to-face with Members (especially during the Presidency of Basil Atkinson who was a former airline pilot). Thirdly, he made a point of calling frequently on the Cabinet of UN Secretary-General U Thant, and in particular, of meeting with Philippe de Seynes, the French Under-Secretary-General for Economic and Social Affairs. Fourthly, he maintained excellent relations with the Holy See whose Father Giuseppe Arrighi was responsible for the Information Office for Pilgrimages and Tourism in Rome. Fifthly, he welcomed visitors to the IUOTO Headquarters in Geneva, taking advantage of the proximity to the United Nations and the numerous Specialized Agencies based there.

Indeed, there were so many visitors to Robert Lonati's office during those years who brought him mementos of their country that it began to look like an antiques shop. He therefore called upon an interior designer who tidied up the souvenirs and installed modern furniture.

Of course, tourism was, during the 1960s and 1970s, growing very fast indeed. This rapid development made urgent an examination of the problem in general and it was against this backdrop that, in November 1966, Robert Lonati, with the assistance of his Indian Assistant Secretary-General AshokNair drafted a

Memorandum entitled 'Factors which may call for a change in IUOTO's present legal status'. The document began by stating that IUOTO was the only existing organization which represented both governmental and professional tourist interest. It continued by asserting that, following the crisis of growth, it was now too important by the nature of its membership to act merely as a non-governmental organization yet lacked the means and authority to satisfy the needs of members. Besides, IUOTO was composed, in its virtual totality, of governmental or quasi-governmental institutions.

The Union now turned towards its lawyers and in particular to Maître Georges Faddoul, the Lebanese delegate who would soon become President. The current President, Arthur Haulot from Belgium, thought that 'it was not possible to retreat to the form and structure which existed 20 years ago'. Unless (the Executive Committee) decided to go backwards, IUOTO had started on the road to transformation into an intergovernmental organization. 'There was', Haulot asserted, 'a need to avoid the drawbacks and to benefit from all the advantages that could be secured from the contemplated transformation'.<sup>i</sup> In the words of Jaime Segarra (the Spanish delegate and a judge by profession): *IUOTO was unable with its present status to fulfill its role in the field of international tourism*.<sup>ii</sup>

The mechanism chosen to effect the transformation was discussed at length. Suffice to say that it involved the adoption by IUOTO of the Statutes of the new organization with parallel, synchronized, support from the United Nations General Assembly and ECOSOC. In this regard, the inputs offered by the Head of the Mexican delegation, Ambassador Jorge Castañeda (another legal expert) were invaluable. His aim was to create what is now termed a related agency to the United Nations. This satisfied the desire of Robert Lonati to remain independent and not to be an integral part of the UN.

There was, of course, some opposition. It came from two sources. Firstly, those national tourism agencies that were entirely private (notably the Nordic countries) were not enthusiastic. They feared that they would lose out from intergovernmental status. Secondly, there were countries like the UK, and notably Mr Leonard Lickorish, Director-General of the British Travel Authority, who enjoyed the 'club' character of IUOTO and feared that the new body would resemble UNCTAD – *a talking shop for the developing countries*.<sup>iii</sup>

Sadly, while these countries did not finally block the transformation of IUOTO into UNWTO, they constituted a group of influential, prosperous, industrialized, countries which have remained outside UNWTO not merely for years but for decades.

However, the adoption of the new UNWTO Statutes at the IUOTO Extraordinary General Assembly in Mexico City on 27 September 1970 gave Robert Lonati a great deal to do. In the period from 1970 to 1974 he was busy encouraging Members to ratify the new Statutes while carrying out an impressive and wide-ranging programme of work. He was also preparing for inter-

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<sup>i</sup>79th *IUOTO Executive Committee*. Madrid (Spain), November 1966.

<sup>ii</sup>80th *IUOTO Executive Committee*. Toronto (Canada), 11–16 May 1967.

<sup>iii</sup>83rd *IUOTO Executive Committee*. May 1968. IUOTO CE/83/8 Note 1.



governmental status, working closely with senior UN officials on whose wisdom and advice he could count.

Did Robert Lonati have any preference for the location of the future headquarters? He was certainly aware of the advantages of being situated at Geneva with the UN and many Specialized Agencies a mere stone's throw away. He was also comfortably installed in a fine new duplex apartment with splendid views of the Lake of Geneva and the Jura Mountains. Here he would play host to Permanent Representatives to the United Nations and its Specialized Agencies to encourage them to ratify the Statutes promptly. He was, however, aware of a certain reticence on the part of the Swiss authorities (who were facing calls for a limit to be placed on foreign workers following the 1970 Schwarzenbach Initiative) and was not unprepared for a move to Madrid, Manila, Mexico or Zagreb. The final choice of headquarters, adopted by the first General Assembly in Spain in May 1975, was in fact Madrid.

So it was that in January 1976, UNWTO opened its offices in Madrid. Robert Lonati was now in a very strong position. He had been appointed UNWTO Secretary-General by acclamation and no one in the Secretariat (least of all the kindly Deputy Secretary-General, Rajesh Rawat) came remotely near him in matters of policy and decision-making. These were certainly the years in which Lonati manifested the dominant side of his character, though he combined this authoritarianism with a desire to consult his staff (by means of frequent and lengthy meetings) on how best to attain the objectives of the Organization and how to give the new body an operational as well as a deliberative character. He was even more imperious when it came to relations with other international organizations, particularly the giant International Labour Organization which he denounced as keeping for itself matters of education and training in tourism. That being said, his was probably a sensible option, given the need for greater visibility and bearing in mind that UNWTO's new location in Spain was not widely known nor were the Organization's activities well understood.

What most rankled with Lonati in these years was the growth of the UNWTO Regional Secretariats. These bodies, based in Africa, Americas, Asia-Pacific and the Middle East, were financed by the corresponding host countries who also proposed the incumbent 'Regional Secretaries' to Madrid. Given the paucity of long-distance communications (telephone, telex and mail), there was little Lonati could do to govern or to manage these bodies. He therefore drafted and submitted to the Council a fiercely critical document proposing that these regional entities should be 'decentralized' by being moved to headquarters. Reactions to this document were varied, Asia-Pacific being particularly unhappy, and this perhaps marked the cooling of some Members' enthusiasm for their long-standing executive head.

That being said, Lonati's initiatives to hold the 'World Tourism Conference' in Manila in 1980 (with the support of José Aspiras, the Philippine Minister of Tourism) and the 'World Tourism Meeting' in Acapulco in 1982 (with the support of Rosa Luz Alegría, Secretary for Tourism of Mexico) ensured that, in general, he continued to enjoy support at all levels of the membership. Anyone who visited him could expect a warm, friendly, Mediterranean-style greeting and close attention to the visitor's concerns and expectations. The official visit of the

King and Queen of Spain to the Organization's Headquarters in March 1985 marked 10 years of his three, generally successful, terms of office.

With respect to the budget, the Swiss Franc employed (following the move of IUOTO to Geneva in the 1950s) was now abandoned and replaced by the United States dollar (in accordance with rule 4 of the Financing Rules attached to the UNWTO Statutes). Certainly, there were some delays in payment of contributions in the new currency during the first years at Madrid, while the 'Nixon Shock' of November 1971 put pressure on the US dollar. However, it appears that the amount of the new UNWTO budget would be satisfactory for the Secretariat to function, bearing in mind also Robert Lonati's tradition of cautious financial management.

The election of the Austrian Dr Willibald Pahr as Secretary-General for the period 1986 to 1989 brought with it some fundamental changes in the Organization. To start with, Pahr was a former foreign minister of his country, whereas Lonati (who died on 31 December 1985, the last day of his third and final term of office) had joined the Organization as a modest press officer.

But there were a number of factors that would have serious repercussions for the Organization. Firstly, Pahr – who had extensive experience of international organizations and had been closely acquainted with tourism at the federal level – arrived with the conviction that the Organization should (like IMO, ICAO, UNESCO, etc.) adopt a convention in order to anchor States to membership. It would be called the 'Budapest Convention on Tourist Travel, Visits and Stays' and would govern passports, visas and currencies. It was strongly supported by the USA delegation which at that time chaired the Facilitation Committee. However, while the project was entirely relevant, it came at an inopportune time when, for example, the European Union was attempting to construct the Schengen border accords. Secondly, Pahr had the intention of aligning UNWTO's staff conditions more closely on those of the United Nations. This too was entirely laudable – though expensive. Thirdly, the US dollar was now in free fall against the Spanish peseta, with the result that the Organization's budget – expressed in US dollars – simply could not pay the running costs of the Organization. The outcome – which was the result of close consultations between Pahr, his Executive Council, the Chair of the Committee on Budget and Finance and the Host State (Spain) – would be to severely prune the work programme and to reduce staff by approximately one-third. These measures, though undoubtedly necessary, were not well received by the Members – some of whom had withdrawn from membership.

So, despite his good intentions, Willibald Pahr would not have the benefit of a second term of office. In his place, effective 1 January 1990, came Mr Antonio Enríquez Savignac, a Harvard MBA, a former Secretary of Tourism of Mexico and, as Director-General of FONATUR, the creator of the Cancun tourist resort.

The new Secretary-General held a retreat at Chinchón (Madrid) on 3 and 4 May 1990. The aim was to determine whether the existence of UNWTO was justified and if so, what programmes it should undertake

In the discussions, it was argued that UNWTO had become too formalized and was less responsive and agile than before. A team spirit was lacking. The balance

needed to be struck between a diplomatic forum (like the UN) and a service-providing organization paying special attention to its developing country members. There was still – as Maitre Georges Faddoul had observed back in the 1970s – a disappointing lack of recognition of tourism. The visibility of the Organization was weak and there was a need for a greater presence in the field. Therefore, Regional Representatives should be appointed who would visit Member States to promote awareness of UNWTO and identify their needs and concerns.

The Chinchón meeting was probably the closest UNWTO got to ‘shutting the shop’. The Organization was still in a difficult financial situation. The US dollar continued to decline while staff numbers at the Madrid headquarters would eventually fall to 81.

Addressing the 39th session of the Executive Council at Goa, India, in December 1990, Enríquez summed-up the first year of his term of office in the following words: ‘My sense is that we will continue to be penalized vis-à-vis other better-financed institutions which were created before UNWTO and have thus absorbed the lion’s share of State resources allocated to international organizations. As long as this is the case, UNWTO’s means will remain incommensurate with the importance of the tourism industry to the world economy’ (United Nations World Tourism Organization (UNWTO), 1990).

Certainly, UNWTO’s resources were modest, with the approved budget for 1992–1993 being no more than 16.5 million US dollars. This signified that even major contributors to the Organization’s funds were paying less than 300,000 US dollars per annum. Nonetheless, UNWTO was often treated as though it were a major institution and should be subject to the same stringent measures of economy.

In February 1991, Enríquez was obliged to take a number of precautionary measures, notably freezes on recruitment and on salaries. This was due to high levels of inflation being experienced in the host country and a low level of contributions being received. Too, the Gulf War of the period would create a wider upheaval in the world tourism economy.

Fortunately, thanks to a greater presence in the field and the work of the Regional Representatives, the Organization was – by 1992 – managing 31 technical cooperation projects with a budget of 2.9 million US dollars. However, Enríquez was still obliged to run the Secretariat on the basis that only some 70–80% of the approved budget would actually be received.

It was not until the early 1990s that a budget was approved which would resolve the problem of the declining dollar. For the period 1996–1997 contributions would be requested in the proportion of 45% in US dollars and 55% in Spanish Pesetas. This was good news and indeed some of the Asia-Pacific countries which had withdrawn during the Pahr régime were beginning to return.

On the other hand, the USA would announce that it was withdrawing from UNWTO membership at the end of 1996. Normally, the USA exits international organizations when it is in fundamental disagreement with their policies. However, this departure derived solely from the US resolve to dismantle the United States Travel and Tourism Administration – the counterpart of UNWTO. It was an incongruous decision since in October 1995 US President Bill Clinton had organized a White House Conference with the aim of promoting greater

awareness of tourism! Fortunately, and thanks to the November 1972 'Lusaka Formula', the loss of contributions would be less than 5% of the budget (some 413,750 US dollars).

Following the early retirement of Antonio Enríquez, effective 1 September 1996, the Deputy Secretary-General Mr Francesco Frangialli took over for the period until 31 December 1997. With his experience drawn from the French Court of Audit and as Director of Tourism, the new executive head had no difficulty in running the Organization for three successive terms of office: 1998–2001, 2002–2005 and 2006–2009. He would retire from office – a little early – in February 2009.

Indeed, the financial situation was improving. Also, the Members were increasingly involved in the life of the Organization, thanks to a UNWTO *White Paper* prepared by a select group of eminent persons. Among the paper's numerous recommendations was to enhance the public–private partnership existing between the Organization's Full and Affiliate Members.

On 30 November 2000, the Executive Council, at its joint 63rd and 64th sessions, decided to establish the euro as the Organization's accounting and budget currency. There was no discussion on this item which appeared logical since the host country, Spain, was already using the euro as its currency (succeeding the peseta) since 1 January 1999 and would, effective 1 January 2002, be employing euro banknotes and coins.

Therefore, the next General Assembly held jointly at Seoul and Osaka in 2001 approved on 1 October 2001 the recommendation of the Council concerning the euro. Moreover, it approved a budget for 2002–2003 expressed in that currency.

Fortunately for Francesco Frangialli and his team, the exchange rate approved for the conversion of the US dollar into euros was 1.0976. This was very favourable for the Organization since, beginning in 2003, the euro began to strengthen against the US dollar. This fact, combined with excellent levels of receipts, both from current contributions and arrears, resulted in a period which allowed the organization to carry out a wide-ranging programme of activities corresponding to the needs of the Membership.

It had been in 1993 that the Assembly pronounced itself in favour of maintaining the *status quo* and not seeking Specialized Agency status. Now, eight years on, Francesco Frangialli affirmed that the moment was ripe for UNWTO to consider whether it should evolve towards the status of a United Nations specialized agency. It would certainly have much to gain in terms of legitimacy, authority and visibility. In a subsequent resolution (A/RES/420(XIV)) of 21 December 2001, the Assembly agreed that '*steps should be taken to study the possibility of transforming the Organization into a Specialized Agency of the United Nations system*' (UNWTO, 2001). Next, ECOSOC, at its substantive session of July 2002, expressed a favourable attitude to this transformation and a United Nations' Committee on Negotiations with Intergovernmental Agencies was reconstituted for this purpose. The following arguments were adduced:

- A better recognition of the tourism sector,
- Enhanced cooperation between UNWTO and the United Nations,
- Wider international responsibilities.

It was within this framework that the Secretary-General affirmed that the transformation would enable the Organization to play more effectively the 'decisive and central role' attributed to it by the historic UN General Assembly resolution 2529(XXIV) of 1969.

Now the Committees on Negotiations of UN-ECOSOC and UNWTO, chaired by Peru and Jordan, respectively, and with the support of Legal Counsel and Rafeeuiddin Ahmed, the Special Representative of UNWTO to the United Nations, moved swiftly to ensure the desired transformation. So it was that the United Nations, on 23 December 2003 by resolution A/RES/58/232, approved the transformation of UNWTO into a Specialized Agency of the United Nations. It was a welcome New Year's gift to travel and tourism which then – in 2003 – totalled 532,700 million US dollars and represented 689 million international tourist arrivals. Too, the Organization began to participate in the UN System's coordination mechanisms.

The years following the transformation – from 2002 to 2007 – were generally favourable for the UNWTO. Only the recession of 2008–2009 would bring to a halt this period of expansion. Indeed, from 2009 onwards, UNWTO budgets have respected the principle of zero growth in monetary terms.

Was UNWTO under-financed? And, if so, why? The view expressed in 1990 by the late Secretary-General Antonio Enriquez implies that this was so. Let us therefore take a brief look at the history. UNWTO is certainly not a new organization. Indeed, the organization has a clearly defined continuity since 1925.

The organization began as a series of congresses with membership being free. Basically, member countries would invite their European counterparts to attend annual conferences, taking it in turn to host and treating their guests with remarkable generosity. Then, in 1927 at Belgrade, an annual subscription of 100 Dutch florins was levied. This arrangement seems to have continued after the creation of the 'Union' in 1930.

Following the 'World Conference of National Tourism Organizations' held in London in 1946, it was calculated that the contribution of members to what was now IUOTO would be around 1,000 Dutch florins. Until the Union moved to a permanent headquarters an annual budget of 8,000 Pounds sterling was contemplated with Full Members each paying 150 Pounds. Following the move to Geneva in 1952, a budget of 92,750 Swiss Francs was fixed. However, six different groups now were constituted with the budget being shared among the 45 members on the basis of their capacity to contribute.

It is evident that the first officially appointed IUOTO Secretary-General, Mr François Morin, was over-ambitious and consequently overspent until being removed from office in May 1957. We know that his successor, Mr Robert C Lonati, desired to be as prudent and parsimonious as possible in managing the organization and that a budget of 226,000 Swiss francs was adopted for 1958.

However, by 1962, Robert Lonati was complaining of an 'insufficiency of means' which prevented execution of projects which might appear ambitious but whose fulfilment was necessary to render its Members (*now 82 in number*) the services they were entitled to expect of it. He added that our Secretariat must be at present the smallest of any international organization.

This led to a 50% increase in the budget enabling *inter alia* the organization to prepare for the ‘United Nations Conference on International Travel and Tourism’.

The last ordinary budget expressed in Swiss Francs was that for 1974 when an amount of 3,204,500 CHF was approved with five contribution groups.

UNWTO began to function in 1975, employing the US dollar as the accounting and payment currency. While the first session of the UNWTO General Assembly held in May 1975 had contemplated a budget of six million US dollars for the period 1975–1976, this was actually reduced to five million US dollars by the Second Session of the Executive Council meeting in Acapulco, Mexico, in April 1976.

From this point onwards, Robert Lonati appears to have experienced no particular problem in running the Secretariat with the funds available. Given his desire to manage the Organization personally, he may even have preferred to keep the staff numbers low in order to avoid what he might have regarded as unnecessary delegation.

Of course, as has previously been observed, the dramatically sharp fall of the US dollar left his successors Dr Willibald Pahr and Mr Antonio Enríquez Savignac in a truly difficult situation for almost a decade. Indeed, matters did not really improve until the dual currency budget (Dollars and Pesetas) was adopted in 1995 and applied in 1996–1997. The move to the Euro was simply a matter of good luck rather than calculated planning. It certainly facilitated the task of Secretary-General Francesco Frangialli for whom the wind blew in his favour.

So, why does UNWTO continue to be one of the smaller UN Specialized Agencies (despite a membership of over 150 States) and why has it experienced so much difficulty in ensuring sufficient resources for its wide-ranging programmes? What has been the tangible result of Specialized Agency status in terms of membership and budget?

UNWTO does not combat pandemics (like WHO) nor does it feed starving populations (like WFP) nor does it save the lives of children (UNICEF) nor does it offer shelter to refugees (like UNHCR). Certainly, receipts from tourism can help to resolve these problems albeit not directly.

Until recently, UNWTO had no Convention to which Members could adhere (like UNESCO, IMO and ILO). It has tried, and continues to try, to redact conventions on travel and tourism issues (Facilitation, Consumer Protection, etc.) and at last looks as if it will succeed.

Yet UNWTO membership still lacks key players such as the Canada and the USA, the UK, Ireland and the Nordic countries, Australia and New Zealand. Most had been in membership of IUOTO yet – as discussed above – seem reluctant to consider re-joining the organization. It is incongruous that the attitudes of Directors of Tourism and their Ministers have changed so much in a few decades. Is it not worthwhile to finance the pursuit of happiness (which is what travel and tourism mean for so many)?

Now, in 2020, it should be possible to find some answers to these questions. Surely, UNWTO can move ahead with greater confidence? Or is tourism still somewhat lacking the recognition it truly deserves?

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