

**TO DO!98**  
**Contest Socially Responsible Tourism**

***Award Winner***

***CORPOMEDINA C.A.***  
***NATURE – TRAVEL - ENCOUNTER***

represented by

**Wilfried Merle, Director of CORPOMEDINA C.A.**

**José Guerra, Director of “Fundación Proyecto Paria”**

**Carúpano, Estado Sucre, Venezuela**

**Rationale for the Award**

by

**Klaus Betz**

## 1. INTRODUCTION

The research related to the application of CORPOMEDINA C.A. was conducted between November 27th and December 9th, 1998. On behalf of the Study Institute for Tourism and Development (Studienkreises für Tourismus und Entwicklung e.V.) the statements on concept and objectives of the project could be verified without any problem right on the spot – with the following results: The expert in charge proposes to award the TO DO!98 to CORPOMEDINA C.A. Nature – Travel – Encounter.

## 2. BACKGROUND

From a narrow point of view the CORPOMEDINA C.A. is a shareholder community active in tourism and commerce with its headquarters in Carúpano in the north east of Venezuela and an office in Caracas, the country's capital. But a closer look reveals that it is the coordinating umbrella organisation of a whole network of different affiliated enterprises and foundations cooperating in partnership and complementing each other, with a local staff of 142.

One could also say: What CORPOMEDINA C.A. stands for is a kind of "regional diversification merger" oriented towards developmental, social and ecological issues – with the former volunteer Wilfried Merle, a German by birth, as its motor and promoter. He has been living in Venezuela for the last three decades and is an active entrepreneur, together with his congenial partner, the economist and banker Fancisco Monaldi of Caracas.

The "transmission belt" of all the activities (still to be described) is tourism with a sustainable bias on the peninsula Paria on the Caribbean coast, a region considered to be one of the poorest in Venezuela - with the proverbial "dream beaches", tropical rain forests in the mountains and a superb wet savannah on the plains. There is, in addition, the exploitation of agricultural products from the ecological farming in the region (cocoa, citrus fruit, bananas, neem trees, water buffaloes) as well as the promotion of small scale enterprises in the area of fisheries, craft, trade, gastronomy, guest houses, art and culture.

Without propagating it explicitly CORPOMEDINA seems to be inclined towards the economic implementation of the Latin American "Theology of Liberation" (to overcome socially unjust structures) rather than towards an exclusive maximisation of profits according to the principles of shareholder value.

A case in point is the "Fundación Proyecto Paria", originally founded by Wilfried Merle, but which is now an independently run foundation. It is the heart and backbone of "self-help politics" based on the concept of active participation.

CORPOMEDINA, therefore, is an alternative concept, a reaction and response grown in ten years to the lack of regional and social commitment of the centralist two-party system ruling up to the end of 1998 and to the "facilismo" (corruption) that went with it. Another point is that Venezuela's economy was onesidedly oriented towards the exploitation of oil which in the end led to a fatal dependence: "Oil makes up for 85 percent of export revenues and almost 50 percent of all public revenues" (Frankfurter Rundschau of 11/30/98). Put in simple terms: Venezuela's budget based its expected income - in the beginning of 1998 – on a sales price of 15.50 US \$ per barrel. At the end of 1998 the barrel of Venezuelan oil, however, only fetched just above seven US \$.

### **3. CORPOMEDINA C.A.**

#### **3.1 ORGANISATIONAL STRUCTURE**

If one splits the "regional diversification merger" mentioned before into the different elements the following structure is emerging:

The CORPOMEDINA C.A. (22 employees) owns a coastal strip of just about 14 km along the Caribbean coast of the peninsula Paria (2,900 hectares) with the very beautifully situated beach or holiday resorts of "Playa Medina" (15 staff) and "Playa Puipuy" (16 staff). A third bay lending itself to tourism has remained untouched up to now. Original plans to develop a "Club Med" were completely shelved.

CORPOMEDINA also owns: the Eco-Cocoa-farm "Hacienda Agua Santa" close by. This farm is utilised both for tourist purposes (excursions into the world of cocoa) as well as for the promotion of cocoa export. Venezuelan cocoa once was world famous as "refined cocoa" before it was neglected in favour of richly bubbling oil wells in other regions).

Additional components linked to CORPOMEDINA are:

The water buffalo ranch "Hat Rio de Agua" (17 employees): This is owned by the families Merle/Monaldi and comprises about 1,000 hectare of wet savannah exploited both agriculturally (cheese, meat) as well as touristically (five ecologically built round houses, reed covered and with solar energy). Also school classes come and have their ecology lessons in the open – surrounded by a superb world of birds and reptiles.

The "Thomca" company (six employees): It is also owned by the Merle and Monaldi families and it runs the 17 room hotel "Posada La Colina" (16 staff) situated on a hill in the urban centre of Carúpano, the gateway and starting point of all the tours on the Paria peninsula. With its own transport fleet "Thomca" organises the entire transport and transfer services for individual travellers or groups and it offers excursions such as to the Orinoco delta or to the "Cueva de Guacharo" (Humboldt cave). "Thomca" also runs a tourism and reception office in the airport building of Carúpano with the emblem "Proyecto Paria".

The "Fundación Proyecto Paria" , FPP (37 employees): This is an autonomously operating non-profit foundation with the status of an NGO. Its priorities are: the provision of credits/starting capital for small entrepreneurs, mainly women, consulting services and seminars on the principles of management, on ecological, economic and social issues and teaching literacy skills. FPP is involved in the formation of health committees, it promotes the know-ledge of natural medicines and treatments (medicina verde) and it encourages the farmers to opt for the sustainable cultivation of pineapples, bananas, cocoa and citrus fruit instead of maize (slash and burn, exhausted soil, erosion). In its cultural programmes the FPP is concerned with the enhancement and revitalisation of traditions and skills – it even organises a "Festival of Caribbean Music". The FPP is financed through donations of organisations, firms, banks and insurance companies in Venezuela and abroad. Although the Foundation is so to speak the "child" of CORPOMEDINA, still receiving their donations (about 14 percent of its budget), it runs autonomously and independent of it.

The "Fundación Thomas Merle", FTHM (three employees): This, too, is a non-profit foundation receiving donations. In addition to donors in Venezuela giving both material aid and finances, it is strongly supported by the German association "Paria Hilfe e.V." ("Paria Help"). The name is taken from Thomas Merle, the son of Wilfried Merle, who died in an accident. The work focuses on issues which had been taken up by Thomas Merle, such as youth, education and environment. FTHM organises school transports in far away mountain

villages with a school bus owned by the foundation, it organises so-called "jornadas" (communal ecological cleaning and afforestation campaigns, waste disposal, public works). At the moment FTHM collects money for a "ambulatorio rural" (a rural health station) in these mountain villages.

The botanical garden "Vivero el Pilar" (five employees): This is an area of 52 hectares which also functions as a tropical nursery, that is to say as a gene reserve. The grounds are owned by the families Merle/Monaldi and are a destination for tourist excursions. "Vivero el Pilar" is financed through the sale of trees and plants from the tree nursery. The nursery also provides seedlings for the above mentioned "jornadas" free of charge.

### **3.2 PRINCIPLES AND OBJECTIVES**

All the persons involved in these activities are convinced that tourism – in view of the rich diversity of the landscape, the fauna and flora of the Paria peninsula – is probably the decisive source for income in the future. Yet - ten years ago, when Wilfried Merle first pondered the idea, he asked himself: "Why should I bring tourists to this place if the surroundings and the milieu are not intact? If I have hunger, poverty and unemployment as a companion?" The trouble is: "If I don't bring in tourists I will not be able to sell and earn anything". The main objective therefore was and is: the eradication and alleviation of poverty.

Therefore, ten years ago and up to now, the aim is to channel and restructure the situation described above in a simultaneous process so that in the end – through an active and broad participation of all stakeholders – as many people as possible will have a continuous, economically and ecologically profitable income: that the hope, self-confidence and the dignity of the individual is restored. Wilfried Merle (by the way, he is a Venezuelan) and those who had joined his campaign have been pursuing nothing less than that for over a decade, and with an ever-growing success.

To be involved under the "roof" of CORPOMEDINA meanwhile signifies a good reputation. The peninsula Paria has become a very attractive tourist destination. Roughly three-quarters of all visitors on the beaches of "Playa Medina" and "Playa Puipuy" are either indigenous Venezuelans or foreigners living in Venezuela (diplomats, company representatives). Only one fourth of all tourists come from abroad.

### **3.3 APPRAISAL OF THE PROJECT**

In order to understand the "System CORPOMEDINA" with all its facets one has to approach it in several intermediate steps. As a matter of fact, the TO DO criteria cannot be dealt with as separate units because they are constantly corresponding with one another or overlapping each other.

#### **Contest criterion:**

#### **Involvement of the different interests and requirements of the local people through participation**

A purely monetary participation takes place simply because all of the 142 employees are local people. They either come from villages in the near vicinity (Medina, Chaguarama, Puipuy), from communities such as Tunapuy, Rio de Agua and Rio Caribe or else from the regional capital Carúpano. At times the staff will be increased by up to 200/300 additional

seasonal and free-lance workers who also come from the locations mentioned and who are employed on a rotating basis (at peak times when masses of people are expected – such as Christmas, Easter and Venezuelan holidays). This can best be visualised by looking at Vicente Rosas' career.

Vicente Rosas (34) comes from the fishing village Medina, and today he is the leaseholder and director of the holiday resort "Playa Medina" just two kilometres away from his village. He started his career in 1988 under the guidance of Wilfried Merle as a night guard (!) stepping up the ladder until finally he had become familiar with different functions and areas of responsibilities. In 1998 he took over the resort as a leaseholder and he is running it autonomously. The same development took place at the beach of Puipuy, two bays further ahead. There, the management is now in local hands. Playa Medina with eight bungalows (cabañas) is a resort for rather wealthy clients whereas a stay at "Playa Puipuy" with 18 cabañas is rather inexpensive.

According to his own statement, Vicente Rosas has formerly had no idea what tourism was all about or what it could be like. Today he pursues the following strategy: if he needs additional staff during peak season (for the cleaning of the beaches and toilets, guarding car parks, renting of deckchairs, sale of snacks etc.) he goes from one family to the next in his home village Medina and hires the workers needed. All the families in the village have the opportunity to earn some money – not only his own. In Puipuy there is even a regulation according to which 50 percent of the profit made at peak days around Christmas and Easter goes to a communal fund through which charitable institutions (health station, school library) are financed.

Participatory side-effect of the beach and holiday resorts: Because of the unreliable public drinking water system, the surrounding villages are, as a matter of course, also provided with clean (!) drinking water (tank-truck) just as the holiday resorts at the beach (which is of utmost importance during the dry season). The water is taken from inland wells belonging to CORPOMEDINA.

The local people have access to all the beaches. Also the fishermen can continue to moor their boats there (arranged through marked buoys). With their fresh fish they are the favoured suppliers for the restaurants there. This direct sale saves them from offering their mostly small catch to the fish market in Rio Caribe, some 20 kilometres away.

The same also applies to the buffalo ranch of "Rio de Agua" situated more towards the interior where the wet savannah starts. Wilfried Merle has explicitly allowed the people living there to enter the 1,000 hectare of "private grounds" and to use their dug-outs in order to catch fish in the canals and water ways for their own consumption (the hunting of birds and reptile is not allowed). And indeed, one can constantly see lots of people from the nearby villages successfully catching fish with the simplest fishing rods.

Participation in planning is ensured through the activities of the "Fundación Proyecto Paria" which is seen as a neutral element (cf. the following criterion).

#### **Contest criterion:**

#### **Strengthening the awareness among local people with regard to the chances and risks of tourism development in their daily economic, social and cultural life**

It is mainly the "Fundación Proyecto Paria" (FPP) which is committed to this issue. Being confronted with the development of the off-shore holiday island "Isla Margerita" as a negative example of mass tourism, the FPP has, over the past years, developed into a "think tank" or "steering association".

The reason is that the young and well trained experts of the foundation mainly come from the region and have returned to their home communities after having terminated their studies. Thus, they have their compatriots' sympathy and they know to listen to them; they have the skill to organise them or else to articulate themselves on their behalf – in a "process of collective reflection".

As mentioned earlier in this paper the FPP regularly organises seminars, training and discussions both with individuals as well as with village communities or village assemblies; together with these activities, questions concerning future planning and shape are also taken into consideration. These, however, focus less on the risks involved but rather on the chances, because a lot of things have to be started from the bottom (bookkeeping, motivation, presentation, sales, quality control). Illiterate people, for instances, are taught through flip charts how to manage a small scale business in tourism: with one "purse" for business expenses, one for the family and one for the personal profit (which is used to repay the credit) and one purse for emergencies.

### **Contest Criterion:**

#### **Participation of a broad local population strata regarding the positive economic, social and cultural effects of tourism**

Apart from the permanent staff in the sector of CORPOMEDINA, a whole network of self-employed small entrepreneurs has developed thanks to the work of the "Fundación Proyecto Paria". They in turn are profiting from the fact that a company such as the CORPOMEDINA attracts guests. Without such paying visitors the economic structure on the smallest scale which will be described below, would not be able to survive. Without this structure which has gradually taken shape, and without the alleviation of poverty that came in its wake, it would hardly be possible to spend a "comfortable holiday" or to enjoy an encounter with the population. Or, as Luis F. Gonzales, coordinator for further education and training in the FPP, put it: "Before, we were scared when a tourist approached us and said 'good evening' in English, today we are able to reply with 'good evening'".

In practical terms this is illustrated in the following example: On the way to the beaches near Medina and Puipe you pass Trina Gonzales Figero's shop. There, along the village road in Medina she is quite successful in the sale of hats, carefully woven from palm leaves, wall decorations, hanging flower pots or bread baskets. She was able to set up this successful business through a small credit from the "Fundación Proyecto Paria", a credit which she managed to pay back "earlier than required". (We are talking about a sum of 85,320 Bolivares, i.e. scarcely 260 DM with which a modest but neat mud building could be erected and equipped – including workshop into the bargain.)

Thanks to a credit amounting to three million Bolivares (about 9,000 DM) Senora Mirna de Matos in Rio Caribe was finally able to open her "Dulceria" (a sweet coffee and liquor room). Her specialities are traditional Caribbean drinks, pastries, juices and jams – quite obviously with a tremendous success. In old Coca Cola bottles with screw tops and newly designed labels she now offers a whole range of sophisticated "cocktails" or liquors – all on the basis of home-made recipes from a mixture of cinnamon-cloves-rum, pineapple rum, cocoa rum or fruit rum. She makes much play with this business by using the brand-name "La Dulce Mirna". Originally she only wanted to make sure "that the old knowledge and wisdom does not get lost, that our visitors get to know it and appreciate it, because all of it is still manufactured by hand and because it tastes so good."

According to the statistics of the Fundación Proyecto Paria, a total of 272 small entrepreneurs all over Paria have been sponsored in seven years with altogether roughly 630,000 DM. This includes a number of rural restaurants in villages and communes, the so-called "Posadas Turísticas" (some of them furnished with loving care, but quite often very modest pensions); it also includes rural "farmácias" and health stations, also artists (e.g. professional carvings, appliances) or musicians (for the purchase of instruments), but also farmers wanting to change from the cultivation of maize to fruit, bakers, butchers etc, etc.

With 80 percent, the repayment rate of the credits is (remarkably) high. In order to keep credit losses as low as possible, four persons get together and function as a "solidarity guarantee". Before a credit is granted, spokesmen in the villages check the reputation of the applicant. For clarification's sake: The entrepreneur pays an interest rate of ten percent for a credit through the Fundación. In the case of a normal bank at this moment – because of the hyper inflation in Venezuela – he would have to pay (at least !) 50 percent or more.

**Contest criterion:**

**Guarantee of the attractiveness of jobs in tourism for the local people by improvement of working conditions in relation to payment, social security, working hours, education and training**

For many of the inhabitants of Paria it is not the "attractiveness" of a job that plays a prominent role. On the contrary: It is a matter of finding a job in the first place – in view of the fact that there are hardly any employers far and wide. From this perspective this criterion is only applicable in a very limited way. Particularly since CORPOMEDINA is one of the biggest if not the biggest single employer and since qualified applicants are waiting "in the queue" so to speak.

The statutory minimum wage in Venezuela is around 300 DM per month. But since this is far from being enough, the CORPOMEDINA employees are paid above agreed rates by giving them a share of the profit in accordance with a merit rating system. At the hotel "La Colina" in Carúpano for example this merit rating system takes effect if 60 percent of the hotel rooms are occupied – this affects the waiter, the receptionist and the room-maid. At the buffalo ranch "Rio de Agua" the additional bonus is coupled with the quality and the sale of the buffalo cheese or with the number of young buffaloes surviving in the wet savannah. A similar performance rating philosophy is applied in all the additional affiliated firms. There is, indeed, a corporate understanding of what one wants to achieve: to excel in friendliness, honesty, reliability and professionalism and to refute all the subliminally existing clichés.

The statutory social insurance is in a bad way in the whole of the country. It only exists in theory and on paper. But at least basic medical care is provided free of charge through the hospital in Carúpano.

**Contest criterion:**

**Reinforcement of the local culture as well as of the cultural identity of those living in tourism destination areas**

First, it is not as if holiday makers came here and expected to get a "Vienna Schnitzel " or a T-bone steak, or to go to a disco. And then, the stream of local visitors which is dominating in this place is really determining the way things are done. People are not en route in an "internationalised" region, but in the country they want to be, namely in Venezuela. The owner of a nicely situated, very well kept posada/pension (cooperating with

CORPOMEDINA C.A.) put this in a nutshell with his slogan: "Stay on a chocolate-farm in the paradise."

Still: the supportive measures of the "Fundación" described above clearly usher in a revitalisation or better a strengthening of the existing Caribbean culture. Be it through the musicians (festival of Caribbean Music in Rio Caribe), through artists and artisans or through the cuisine offered. Many restaurants take pains to offer regional (Caribbean) meals: maize meal cakes filled with shark, fish soup with vegetable, black pudding, buffalo cheese (only recently), spiced cocoa balls or sweets from tropical fruit such as papaya, pineapple, coconut and passion fruit.

**Contest criterion:**

**Avoidance, minimization of social and cultural damage caused by tourism in destination areas**

It was only noticed through the development measures of CORPOMEDINA that the beach of roughly 14 km length and the coastal strip covering 2,900 hectare near Medina, Chaguarama and Puipuy even included plots and fields of two of the three villages, i.e. that these also belonged to the property of CORPOMEDINA. Nobody had ever before made an effort (not even the public authorities) to check the ownership of latifundia within the domain of a former classical colonial plantation owner. The people in these villages did simply not possess a legal title to the land on which they had built and cultivated the fields. Through a very expensive land registration procedure CORPOMEDINA has now made sure that the inhabitants are finally given their rights. It transferred the plots to them – but on condition that they can only be exploited and inherited within the respective families. The sale to third parties is not allowed, because one wants to avoid land speculation and an uncontrollable development.

**Contest criterion:**

**Application of new methods in qualifying partnership and cooperation between the external tourism industry and the local people**

With the exception of a few committed travel agents, the peninsula Paria has so far been rather neglected by the mainstream tourist industry. If at all, then this region was offered as "day excursion" starting from Isla Margerita (a 20 minutes flight). But this way it is hardly possible to develop an encounter let alone a cooperation among partners. It would be different if the travel agents envisaged (at least) stays of one week and if they offered for instance a special theme on one of the days such as "The small entrepreneurs of Paria".

**Contest criterion:**

**Creating of other favourable conditions for a socially responsible tourism development in destination areas**

The entire structure of tourism developed by CORPOMEDINA C.A. as illustrated in this paper complies with this criterion and it shows what is necessary or rather what would be necessary. In every detail and in its transparency it sets an example in which way tourism can be of profit if it is willing to let itself be controlled – as to volume and extent or also as to the price.

**Contest criterion:**

## **Projects/measures entered for the contest must be in line with the principles of environmental compatibility**

One of the main reasons for Wilfried Merle to opt for sustainable tourism with CORPO-MEDINA as a possible income source was and is an "environment problem": the slash-and-burn practices of the farmers as a consequence of hunger and poverty. If these could not be stopped, so Merle thought, the destruction of the rain forest at his doorstep was just a matter of time – with all that it would entail, erosion of the hilly regions and the decline of the biodiversity. For this reason Wilfried Merle had started, as a private prophylactic measure so to speak, to buy plots at the "roof" of the rainforest, at the 1,050 m summit of the "Cerro la Cerbatana".

Today CORPOMEDINA carries out nature studies and excursions there and invites scientists from universities at home and abroad. The Foundation "Thomas Merle" is active in the mountain villages further down, among others with the "jornadas" (communal activities and afforestation).

It is quite obvious that with these ideas in the initial phase of the programme the ensuing activities are also implemented from the perspective of environmental protection.

The holiday resorts at the beaches of Medina and Puipuy are developed in such a cautious way that no palm trees had to be cut. Seepage-pits sewage plants are standard, the building materials for the "cabañas" are from the region, cars are not allowed on the beaches. Furthermore, special precautions are taken every year during the breeding season of the sea turtles (a project of the Foundation "Thomas Merle"). A perfectly suitable solution was found even for the sensitive wet savannah with its swarms of mosquitoes at night: The five ecologically built round houses were constructed in an half-open style because of the natural ventilation, the sight and the tremendously impressive background sound and yet they are all around "sealed" with a mosquito safety device and surrounded by king palms.

### **Conclusion:**

Due to the social and touristic range of direct and indirect activities of CORPOMEDINA C.A., a close relationship with the population was achieved which is exemplary by national standards. For the visitors this means that, in contrast to many other holiday destinations in Venezuela, they can follow a path enhancing the chance to meet the local population at an equal level.