

Illustration 5.1 Oxfam's infamy

Oxfam reveals governance problems as it disappoints stakeholders over Haiti.

Oxfam International is a confederation of 19 national charities – stretching from Australia to the USA – dedicated to fighting poverty and injustice around the world. It started in 1942 as a group of British volunteers called the Oxford Committee for Famine Relief. Ironically, it would be staff at Oxfam GB (Great Britain) that nearly brought down the whole organisation in 2018. That year, *The Times* newspaper revealed that seven senior staff working in Haiti after the 2011 earthquake had been using local prostitutes, some allegedly under-age, and using Oxfam GB accommodation to do so.

Within two weeks of the revelations in 2018, Oxfam GB had seen the cancellation of over 7,000 regular donations. After criticisms from senior politicians, Oxfam GB announced it would suspend its bids for government contracts, the source of about 40 per cent of its funding. The Haitian government banned Oxfam GB from its territory. Two celebrity ambassadors for the charity, Bishop Desmond Tutu and actress Minnie Driver, resigned from their roles in protest. Soon after, Oxfam GB's chief executive, Mark Goldring, announced his early retirement.

Oxfam International is based in the Netherlands. It is a strong believer that good governance is essential to poverty relief, publishing 577 reports on the subject by early 2018. Its own governance has two tiers: a board of supervisors made up of its own chair, its executive director and the chair of each of the 19 affiliates; and an executive board made up of the executive directors of all the affiliates. There are about 80 Oxfam International staff, with an operating budget of around €10m (recent figures are unavailable). Affiliates typically have their own boards of trustees overseeing local executives: for example, Oxfam GB has 11 trustees, with a Chair who had previously been chief operating officer at the British Broadcasting Corporation (BBC). Many affiliates are large: Oxfam GB has over 5,000 employees and an annual income above €500m.

Oxfam GB investigated the Haitian operation back in 2011, and dismissed four members of staff, allowing three more to resign early. However, while the charity had reported problems to its regulator, the UK's Charity Commission,

it had concealed their exact nature. One of the departed staff members had since been temporarily hired by Oxfam America. When the scandal broke in 2018, chief executive Mark Goldring explained to *The Guardian* newspaper why the charity had not fully disclosed the Haitian problems: 'It was done in good faith to try to balance being transparent and protecting Oxfam's work. I don't think [Oxfam] wanted to promote a sensation and damage the delivery of [the Haiti] programme.' Goldring suggested some of the attacks on Oxfam GB were political, aimed at undermining the aid sector in general and Oxfam's anti-poverty campaigns in particular: 'The intensity and ferocity of the attack makes you wonder, what did we do? We murdered babies in their cots?'

The increased scrutiny following the revelations brought out new issues. For example, Oxfam GB had suffered 123 cases of alleged sexual harassment and carried out no criminal record checks for its 23,000 volunteers. The BBC also reported widespread allegations about the use of prostitutes in Africa by staff at another prominent international charity, Médecins sans Frontières. During 2018, Oxfam GB introduced stringent new safeguarding policies and declared: 'However difficult it is to meet the demands of transparency, and however hard it is to confront mistakes of the past, we believe that ultimately, this will help us take meaningful action and become more effective in our mission to tackle poverty and help people hit by disaster'.

Sources: www.oxfam.org; *The Times*, 9 February 2018; *The Guardian*, 16 February 2018; *The Lancet*, 23 February 2018.

Questions

- 1 Identify Oxfam GB's various stakeholders along the lines of Figure 5.2 and assess their engagement in terms of the power/attention matrix in Figure 5.3.
- 2 Adapt the corporate governance chain described in Figure 5.5 to Oxfam GB. What were the weaknesses in this chain?