Water Access in the Fight Against Poverty: Tourism or Multiple Use of Water Services?

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ABSTRACT

Rural poverty in underdeveloped countries is a critical issue. A fair amount of literature exists examining the conditions of pro-poor tourism development, as well as different ways to fight it. However, in some cases, and because of the existence of a limiting factor, a potential incompatibility between tourist development and other strategies can emerge, as well as the need to compare relative efficiency. An example of this potential conflict is the one posed by tourist development and the Multiple Use of Water Services strategy (MUS) to alleviate rural poverty. In this case, the limiting constraint is access to water. This paper analyses the impacts, direct and indirect, on poverty levels, of tourist development and MUS. The authors examine the Quindío Region in Colombia, where the MUS strategy is being implemented and where an ambitious tourist development plan may open social conflict regarding water supply. The results of this analysis show that, even if the MUS strategy has a greater positive impact on poverty alleviation, in terms of income and employment generated per unit of water, its water footprint, contrary to expectations, is much higher than the one corresponding to the tourist sector. This may jeopardize its future development, calling for a more balanced approach.

Keywords: Multiple Use of Water, Multiplier Effects, Pro-Poor Tourism, Rural Poverty, Water Footprint

1. INTRODUCTION

There have been different strategies recommended and implemented to fight rural poverty in underdeveloped countries. Tourist development has been identified recently as one of them. As it is usually the case in the realm of economic policy, a combination of different alternatives seems to be a more appropriate way to proceed, taking into account the complexity of the task.

The problem appears, however, when because of the existence of some constraint, the possibility of combining some of these alternatives is severely curtailed, and the analyst is forced to choose.

Water supply is a case in point. If access to water becomes a limiting factor, there is the need to decide which uses are the most efficient, directly and indirectly, in reducing poverty. Tourist development is undoubtedly one such possibility, but not the only one. The supply of water to poor families to help them develop small production facilities, the so-called Mul-
**Multiple Use of Water Services Strategy (MUS),** is another. The purpose of this paper is to analyze which one is more effective in alleviating rural poverty with the help of a case study in Central Colombia. To do so, the remainder of the paper is structured as follows. Section 2 will introduce the case study: the tourist sector in the Quindío region of the Colombian Andes. Development of tourism will be described, as well as the situation regarding water supply. Section 3 will summarize the main economic impacts of tourist development in terms of income and employment generated, whereas Section 4 will briefly introduce the *Multiple Use of Water Services* strategy to fight rural poverty. Section 5 will compare the economic impact of these two alternative strategies, looking again at their multiplier effects on income and employment. Yet, as water supply may become a limiting factor for the further development of each strategy, their *water footprint* will be also considered in Section 6. Section 7, finally, concludes.

### 2. DEVELOPMENT OF TOURISM IN EL QUINDÍO

In this section both, the Colombian region of El Quindío, as well as the existing development plans for the tourist industry in the Colombian Coffee-Growers Axis (Coffee Axis) will be succinctly described.

#### 2.1 The Quindío Region: Socioeconomic Characteristics

The Department of El Quindío is located in the Central-Western part of Colombia, in the Andean region (Figure 1). The Department, which covers 1.845 km², belongs to the so-called Colombian Coffee-Growers Axis (Coffee Axis), and is situated along the Western slope of the Andes Central range, between the 04°04'41" and 04°43'18" latitude North and the 75°23'41" and 75°53'56" longitude West.

The economy of the region has been historically highly dependent on coffee and was, therefore, strongly affected by the coffee crisis of the early 1990s. The unemployment rate in the region, for instance, was the highest in the country in the period 2001-2004. In 2008 the rate of unemployment was still at 16.6%, while underemployment accounted for another 33.8% of the active population. In 2006, the Gross Domestic Product per capita for the Department of El Quindío was just below $2,500.

Armed conflict is also present in some parts of the region.

The Department of El Quindío, therefore, suffers from severe problems of poverty and unemployment. This situation points to the necessity of changing the economic structure of the region, away from the coffee sector, and it is here where tourism may play an important role.

#### 2.2 Development of Tourism in El Quindío and the Coffee Axis

In part as a reaction to the fall in international coffee prices tourist development in the Department of El Quindío begun in the early 1990s. It is in 1991 when the Development of Tourism Fund (*Fondo de Promoción Turística*) launched a survey among owners of agricultural farm-land to analyze the possibilities of developing *ecotourism* in the area, based on providing rural accommodation in old coffee farms. As a result of this work, the municipality of Calarcá was selected as a pilot study, and two coffee farms were transformed into rural tourist destinations. In 1992 a specialized travel agency began selling this product. By 1994 more than 40 farms had joined the program, receiving almost 8,000 visitors. In 1995, partly because of the opening of the *Coffee National Park* in Montenegro, the number of tourist farms already exceeded 90.

In 1999 the area suffered the impact of two contradictory events: on the one hand, a severe earthquake (6.2 degrees Richter, more than 1,200 fatal casualties) was seen as a serious setback to this development; on the other hand, however, the opening of PANACA (a thematic park centered on agriculture traditions and culture) in Quimbaya, together with the creation of the *Rural Lodging Quality Club*, as a strategy to signal the best rural accommodation in the area, helped to consolidate the model.
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