

Will the Future Travel and Tourism Agenda Hold Water?

As the travel and tourism industry struggles with the price of oil, water could soon be headed for a similar crisis

INTRODUCTION

A global process is underway that will set the stage for the privatisation of water utilities, making them similar to telecom companies, airlines, airports, roads and highways. As privatisation has become yet another front in the controversial battleground of globalisation, it is important for the travel and tourism industry to understand the issues and their many-faceted implications.

BACKGROUND

The future of water is being addressed in many global, regional and national fora. One of the primary arenas is the World Water Forum, which has been organised by the Marseilles-based World Water Council since 1997. At the heart of this Forum is ensuring water quality, quantity, accessibility and security, based on the following principles:

- Fresh water is a scarce and endangered resource that is essential to life, development and the environment, and is a common good belonging to the whole of humankind;
- All human beings have the right to clean water in the quantity and the quality required to meet their essential needs, as well as to sanitation, a key factor in human health and the preservation of ecosystems;
- Each individual's right to water, and their usage of it, should be exercised with respect for the needs of present and future generations;
- In rural areas, women play a pivotal role in development, and particularly in the supply, management and conservation of water;
- The quantity and quality of water have declined significantly due to individual and collective behaviour that is detrimental to the sustainable management of this natural resource;
- In the world today, one in four people do not have access to clean water in sufficient quantity or of an adequate quality, and one in two do not have an adequate sanitation system. Water-borne diseases are the greatest cause of infant mortality around the world;
- Increases in urbanisation, unhealthy living environments and desertification, and more frequent droughts, floods and cyclones due to climate change have an impact on the quantity and quality of water resources.

When combined with population growth, the likely to increase pressure on a

THE ASIA PACIFIC CHALLENGE

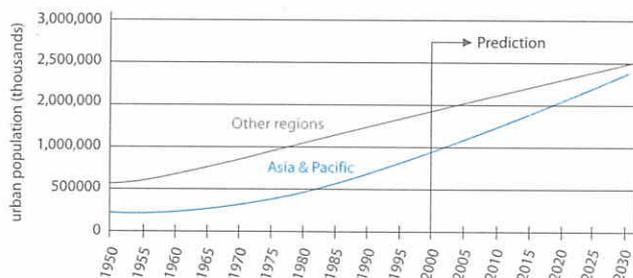
The Asia Pacific region is by far the largest and most populated of the five focus regions addressed at the World Water Forum. The area extends from the western highlands of the Himalayan Plateau to the low-lying atolls of the central Pacific in the east, and from the northern steppes of Mongolia to the southern coasts of Australia and Tasmania.

Despite this diversity, water-related issues and challenges are common across Asia Pacific. Today, the Asia Pacific region is home to 58% of the world's total population and 57% of the world's slum population. Along with poverty, gender inequity and the lack of access to basic services remain critical problems, especially in South and Southeast Asia. It is estimated that 678 million people in Asia are still without improved drinking water (which represents 63% of the world population with the same problem) and more than 1.9 billion people live without access to improved sanitation (74% of the world population with the same problem).

At the same time, water usage is on the rise. Agriculture for example, accounts for up to 95% of all uses in some countries. The Asia Pacific region is expecting unprecedented economic development. When combined with population growth, the development of emerging national economies is likely to increase pressure on already stressed water resources.

The number of Asia Pacific cities with populations exceeding 5 million grew three times as fast as in the rest of the world between 1950 and 2000. There were 21 cities with a population exceeding 5 million in 2000 and the number of cities is expected to increase to 32 by 2015, most of which are along the coast, making them vulnerable to disasters from both floods and the sea. In large cities, impoverished people tend to be hit hardest by the disasters, leaving them that much poorer.

Growth of urban population in Asia and Pacific



Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2002 Revision and World Urbanization Prospects: The 2003 Revision.

THE SEARCH FOR SOLUTIONS

The World Water Forum focused on three main issues:

- 1) the strategic importance of water to national security;
- 2) the need for a long-term vision on water management; and
- 3) the need to create a new water culture that enables people to face water and development challenges.

Delegates also focused on the priorities identified under the 2005-2015 International Decade for Action "Water for Life", organised by the United Nations (UN). "Water for Life" stresses the implementation of water-related programmes and projects such as: sanitation access; disaster prevention; pollution management; trans-border water issues; water, sanitation and gender; capacity building; financing; and integrated water resource management (IWRM).

The implementation of these programmes and projects involve huge structural, social, environmental and technological costs.

In the Asia Pacific region alone, it is estimated that a US\$60 billion investment for water and sanitation infrastructure is needed to meet UN Millennium Development Goal 7: Ensure environmental sustainability, Target 10: Halve by 2015 the proportion of people without sustainable access to safe drinking water and sanitation. Another US\$40 billion is estimated to be needed for human resources development.

To raise these funds and manage their disbursement into productive ventures will require extensive collaboration among local and central governments, private enterprise and civil society. Also being promoted is IWRM, which suggests various models to ensure the equitable and cost-effective management of water resources and shared responsibilities between different levels of governance.

WHERE WILL THE MONEY COME FROM?

Many of the sessions at the World Water Forum are devoted to answering this question. One of the targets set by the delegates at the Forum is to increase investments along a "1.7" formula: "1" for water and sanitation infrastructure and "0.7" for human resources development. It is clear that existing funding sources will need to be expanded and that efforts will have to be made to attract new sources and develop innovative financial mechanisms.

Some developing countries may need donors to meet their official development assistance (ODA) commitments and to focus more of this funding on financing water and sanitation work.

Development of emerging national economies is already stressed water resources

Some developing countries may seek greater support from international financial institutions for such projects. Local communities need access to private bank loans to help support water and sanitation work through micro- and co-financing.

One developed country has urged the creation of national financial mechanisms to fund water management in developing countries, while a developing country has called on international agencies to revise their policy of considering water investment as an expense.

Much of the discussion revolved around water charges, the so-called user-pays principle. Arguing that better management of water resources will be only forthcoming when people have to pay for it, the developed countries want to see more privatisation of water utilities across the Asia Pacific region. Statements suggesting this are couched in curious language like the need to "encourage decentralisation and devolution, and actively implement subsidiarity, to ensure service delivery close to the citizen based on close co-operation between all levels of government".

VOICES OF DISSENT

But not everyone agrees on water charges. According to the watchdog non-governmental organisation (NGO) Jubilee South-Asia Pacific Movement for Debt and Development (JS-APMDD), "People's access to their most precious resource – fresh water – is today at greater risk than ever before from aggressive attempts to profit massively from this life-giving resource."

A research paper entitled "Water Privatisation in the Asia-Pacific Region" warns that international finance and banking institutions are "working in collusion with client governments and global water corporations" to transfer some or all of the assets or operations of public water systems into private hands.

The research paper states that handing over "control, distribution and management of water resources to private entities" is leading to "continuously increasing costs of water and water services...and resulting in erosion of people's access, especially for households which lack the capacity to pay. The premium placed on profitability has also led to a deterioration of services in areas considered not viable enough. Consumers are held hostage by companies that have made their pledges of improving infrastructure contingent on the approval of tariff hikes.

"Marginalised and vulnerable groups, particularly women, are among those hardest hit because of the longer labour hours needed to source water that their families can afford."

JS-APMDD identified numerous countries and states which have to conform to the loan criteria and conditions imposed by the global financial institutions even as consultancies pick up "exorbitant fees paid from public funds".

The paper also notes that, "Just a handful of global water corporations, whose presence is already felt in over 100 countries and if unchecked, may very well be on their way to controlling various sections of the world's water industries. Through the enabling policy environments promoted by the international finance institutions and implemented by client governments, three of the biggest companies in the world are already involved and continue to deepen and strengthen their hold on water resources across the Asia Pacific region."

JS-APMDD and other like-minded NGOs have their supporters. Loic Fauchon, President of the World Water Council, has called for doing away with macro-economic considerations and "structural adjustment plans" (code words for privatisation) that poor countries cannot afford.

YOUNG PEOPLE ARE ALSO LEERY

In 2000, the youth population was designated as a stakeholder in all water-related issues. A statement issued by the Fourth Youth World Water Forum in Mexico City noted the critical role that youth play in ensuring the availability of water resources to future generations. "Development cannot be understood purely in economical terms. It is important to ensure that the actions made towards sustainable development prioritise the needs of communities above economic growth."

The statement called for all decisions be made with "respect to the needs expressed by the (local) communities" with governments providing adequate financial and technical support and working to upgrade the professional standards of the water managers. The youth expressed a need for more education about water conservation issues, especially in schools.

Children, too, are being given a say in the proceedings. In Mexico City, the 2nd Children's World Water Forum brought together 110 children from 29 countries. A statement issued by the children afterwards said point-blank: "Do not allow water to be privatised. Ensure that water is a resource available for all people."

It added, "(Do) not allow water to become what oil is today: scarce and expensive. Big water (and other) companies should invest ten cents of every dollar of their profits to guarantee safe water for children wherever they are."

WATER MANAGEMENT FOR FOOD AND THE ENVIRONMENT

There are many other issues involved, all with significant implications for cost, management and governance of water.

- *Promoting conservation and more efficient use of water:* Irrigated agriculture is by far the biggest user (70%) of available fresh water; inefficient irrigation practices trigger water shortages and lead to water pollution from agrochemicals and biological waste. Improving the efficiency of irrigation systems and making use of technological advancements to reduce the amounts of water needed for farming would seem a practical step.
- *The role of industries:* Industrial practices contribute to water resource depletion. Much of the existing infrastructure needs to be improved and new infrastructure will be needed to meet the increasing demands of rapid population growth and industrial development.
- *Good governance:* The experience of several Asian countries has underlined the importance of good water governance (scrupulous, transparent, participatory, honest and gender sensitive) as critical.
- *Water-related disasters:* To reduce vulnerability to water-related disasters means increasing preparedness through pre-emptive activities: early warning systems, raising awareness and evacuation planning.
- *Maintaining biodiversity:* Healthy aquatic ecosystems improve water quality through natural purification. Protecting zones at the land-water interface like mangroves, paddy fields, wetlands, and forests not only increases ecosystem health, but may also provide extra protection against some disasters and saline intrusion.

IMPLICATIONS FOR TRAVEL AND TOURISM

Although a relatively small user of water compared to agriculture and manufacturing industries, the travel and tourism industry is nonetheless a consistent user of water. Tourists fill up millions of bathtubs to enjoy a soak. Golf courses, spas, convention and exhibition centres, not to mention airports, all guzzle copious amounts of water.

For an industry that can produce volumes of statistics on job creation and foreign exchange earnings, it is surprising that virtually no information is available on how much water it consumes. Perhaps that is a good way to start – a global study on water consumption related to travel and tourism – as a first step in a global campaign to cut the industry's water consumption.

Like many other global issues – environmental damage, globalisation, war and conflict, the rich-poor income gap – the consumption of water will have a major impact on future costs. The industry already does a lot – much of the water used for gardens and lawns is recycled – but it can do much more. Although individual businesses can curb their water usage, the addition of every new hotel/resort/convention centre means that the overall industry consumption of water goes up.

The travel and tourism industry's primary preoccupation today is with terrorism. But the time, money and effort being expended on it pales in comparison to issues that are not even on the radar screen. The future of water is on the global agenda, and it is perhaps time that the industry began treating it with the seriousness it deserves.

For further reading and references:

www.worldwatercouncil.org

www.worldwaterforum4.org.mx

www.jubileesouth.org

js-apmdd.org

www.unesco.org/water/water_celebrations

The information in this edition of Issues & Trends was compiled from various statements, presentations, documents and speeches presented at the Fourth World Water Forum in Mexico City, March 21-22, 2006.



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