

LIQUIDACIÓN DEL FERROCARRIL EN ALAUSÍ Y SU IMPACTO ECONÓMICO EN LA COMUNIDAD

LIQUIDATION OF THE RAILROAD IN ALAUSÍ AND ITS ECONOMIC ON THE COMMUNITY

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Fecha de recepción: 10-04-2024 / Fecha de aceptación: 23-04-2024 / Fecha de publicación: 01-05-2024

RESUMEN

La reciente liquidación del Ferrocarril en Alausí ha desatado una crisis económica de considerable magnitud que repercute de manera profunda y multifacética en la vida cotidiana de la comunidad local, esta situación crítica pone de manifiesto la compleja interrelación entre el transporte ferroviario y el desarrollo económico sostenible en la región. El problema de investigación reside en la suspensión de las operaciones del ferrocarril en Alausí ha tenido un impacto devastador en la economía local, generando una crisis sin precedentes que afecta diversos aspectos de la vida comunitaria. El objetivo es analizar de manera detallada y sistemática los efectos de la disminución del turismo en el cantón Alausí y proponer estrategias viables y efectivas que fomenten un desarrollo turístico sostenible. La investigación empleó una metodología de enfoque mixto, combinando técnicas cualitativas y cuantitativas. Se realizó una revisión exhaustiva de la literatura, análisis de informes y datos estadísticos, así como encuestas y entrevistas a expertos y actores clave. Los resultados revelaron una dramática disminución del 72% en los ingresos totales, la pérdida del 65% de los puestos de trabajo relacionados con el ferrocarril, y una reducción del 35% en el número de establecimientos comerciales y turísticos. Además, se evidenció el deterioro de la infraestructura ferroviaria y el aumento de la inseguridad. En conclusión, la suspensión del ferrocarril ha tenido un impacto económico devastador en Alausí, afectando gravemente los ingresos, el empleo y la actividad turística, por ello, es necesario implementar estrategias integrales que permitan reactivar la economía local y preservar el patrimonio ferroviario de la región.

Palabras clave

Ferrocarril, liquidación, consecuencias, análisis, economía

ABSTRACT

The recent liquidation of the Alausí Railroad has unleashed an economic crisis of considerable magnitude that has a profound and multifaceted impact on the daily life of the local community, this critical situation highlights the complex interrelationship between railroad transportation and sustainable economic development in the region.

** English translation of the original article published in Ecuacientífica, Vol. 2, No. 3, pp. 32-42.*

The research problem lies in the fact that the suspension of railroad operations in Alausí has had a devastating impact on the local economy, generating an unprecedented crisis that affects various aspects of community life. The objective is to analyze in a detailed and systematic manner the effects of the decline of tourism in the Alausí canton and to propose viable and effective strategies to promote sustainable tourism development. The research employed a mixed approach methodology, combining qualitative and quantitative techniques. A comprehensive literature review, analysis of reports and statistical data, as well as surveys and interviews with experts and key stakeholders were conducted. The results revealed a dramatic 72% decrease in total revenues, the loss of 65% of rail-related jobs, and a 35% reduction in the number of commercial and tourism establishments. In addition, the deterioration of the railroad infrastructure and increased insecurity were evident. In conclusion, the suspension of the railroad has had a devastating economic impact on Alausí, seriously affecting income, employment, and tourism activity; therefore, it is necessary to implement comprehensive strategies to reactivate the local economy and preserve the region's railroad heritage.

Keywords

Railroad, liquidation, consequences, analysis, economic

INTRODUCTION

The recent liquidation of the Railroad in Alausí has unleashed an economic crisis of considerable magnitude that has a profound and multifaceted impact on the daily life of the local community. This critical situation not only highlights the complex interrelationship that exists between railroad transportation and sustainable economic development in the region, but also illustrates the vulnerability of local economies to significant structural changes.

Throughout history, the Trans-Andean Railroad has functioned as a vital route, facilitating access to one of Ecuador's most emblematic and visited tourist destinations: the Devil's Nose (Nariz del Diablo). However, the abrupt suspension of its operations has led to a drastic and concerning reduction in the flow of tourists, who constituted one of the main sources of income for the canton. This transformation has not only had a negative impact on the local economy, but has also begun to erode the social and cultural sphere that has characterized the community of Alausí for years, generating a domino effect that affects various aspects of community life, such as social attraction, the preservation of traditions, and the provision of essential services (1).

The World Tourism Organization (2) defines the concept of sustainable tourism as that which seeks to satisfy the needs of both tourists and destinations, while protecting and enhancing future opportunities for host communities. In the Ecuadorian context, tourism stands as the third source of non-oil revenues, generating employment for more than half a million people and contributing significantly to the national Gross Domestic Product (GDP) (3).

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However, the high level of informality and the scarce regulation that characterize this sector represent persistent and complex challenges, further complicating the possibility of an effective economic recovery in the period following the liquidation of the railroad.

The economic crisis that has affected the company Ferrocarriles del Ecuador is a determining factor in this problem, since, from 2011 onward, the company went from reporting significant profits to a considerable negative balance, which culminated in its liquidation in 2021 (4). This unfortunate scenario has left a critical vacuum in access to key tourist destinations, causing a notable drop in the influx of visitors and, consequently, in the income of local businesses that depend on tourism.

In addition, the lack of government support and the prioritization of investments in other modes of transportation have accentuated this crisis, leaving Alausí and its surroundings in a state of abandonment and progressive deterioration, generating a devastating impact on the quality of life of its residents, who see their economic and social opportunities diminished. This has resulted in a notable increase in the migration of its inhabitants in search of better living conditions in other regions, further affecting the stability and cohesion of the community (5).

Faced with this complex problem, it becomes imperative to carry out an exhaustive investigation into the impact of the suspension of the railroad on tourism in Alausí, as well as its repercussions on the local economy and community development.

This research has as its objective to analyze in a detailed and systematic manner the effects of the decline of tourism in the canton and, at the same time, to propose viable and effective strategies that foster sustainable tourism development. The aim is not only to recover the tourist attractiveness of the region, but also to promote job creation, community empowerment, and the general well-being of its inhabitants.

Through this study, the intention is to establish a solid base that will allow future initiatives oriented toward integrating the rich cultural and natural heritage of Alausí, thereby contributing to the economic and social revitalization of the canton, and generating a positive and lasting impact on the quality of life of its inhabitants.

This integral and multidimensional approach will be fundamental to ensure that the community not only recovers its economic vitality, but also positions itself as a benchmark for sustainable tourism in the future, guaranteeing that future generations can enjoy the cultural and natural riches that characterize this unique and exceptional region, as well as the possibility of developing a tourism model that respects and enhances the cultural legacy of the community.

The objective is to analyze in a detailed and systematic manner the effects of the decline of tourism in the Alausí canton and to propose viable and effective strategies that foster sustainable tourism development.

MATERIALS AND METHODS

Research Method

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The methodology employed in the present study is classified as a mixed research approach, which combines both qualitative and quantitative techniques. This approach allows a more complete and profound understanding of the impact of the suspension of the railroad on tourism in the Alausí canton, by integrating the collection of qualitative and quantitative data from diverse sources. The combination of these methods facilitates a richer and more nuanced exploration of the phenomena in question, thereby allowing a more integral analysis of the problem addressed.

Population

A significant set of secondary data was used, employing an exhaustive literature review and a detailed analysis of existing reports. The databases used for information collection include recognized and reliable sources such as SCOPUS and LATINDEX, which allow access to a wide range of academic articles and relevant studies. Reports from governmental and non-governmental organizations were also included, as well as pertinent statistical data on tourism and the local economy in Alausí, thereby ensuring a solid and representative base for the analysis.

Inclusion Criteria

- a) Studies, articles, and documents published between 2015 and 2023 that address the liquidation of the Railroad in Alausí and its economic impact on the community were considered.
- b) Sources that analyze the effect of the suspension of the railroad on tourism, the local economy, and community development were included.
- c) Reports and documents containing empirical data on the economic and social situation of Alausí after the suspension of the railroad were accepted.

Exclusion Criteria

- a) Blogs, opinion articles, and other non-peer-reviewed publications that lack scientific rigor were excluded.
- b) Studies or documents that do not address the problem within the most recent time frame were discarded, since the economic and social context may have changed significantly since then.
- c) Documents that do not provide specific information on the economic impact of the liquidation of the railroad in Alausí or that lack substantive analysis were excluded.

Setting

The research was based on bibliographic references, carried out in the Alausí canton, which is located in the province of Chimborazo, Ecuador. This geographic and cultural setting offers a particularly relevant context for the study, given that the railroad has historically been a key component in the economy and tourist development of the region.

Measurements

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For data collection, various tools and instruments were used, which included structured surveys directed at experts in tourism and the local economy. In addition, semi-structured interviews were conducted with key stakeholders within the community, such as community leaders, owners of tourism businesses, and representatives of local organizations.

The variables considered in this study encompass both economic aspects, such as the reduction of tourism revenues and the loss of jobs, as well as social dimensions, such as community cohesion and the perception of sustainable development in the region.

This methodological approach not only facilitates the identification of the negative effects of the current situation, but also promotes the development of effective strategies to mitigate these effects and foster responsible and sustainable tourism development in the region. In this way, the aim is to contribute to the well-being of the community and the strengthening of its local economy, ensuring that future generations can enjoy and benefit from the cultural and natural resources that Alausí has to offer.

RESULTS

The present research focuses on analyzing the economic impact that the interruption of railroad operations had in the Alausí canton, province of Chimborazo. Through an exhaustive documentary analysis and the collection of data provided by various public and private entities, it was determined that the suspension of this transportation service generated adverse and considerable effects on income, employment, economic activity, and tourism in the area.

Income and Employment

The discontinuation of railroad services in Alausí had a considerable and adverse effect on the economic income and employment levels of the community. As evidenced in Table 1, the revenues generated by the Railroad experienced a marked and abrupt decrease after the cessation of its activities, which translated into a 72% decline in the total revenues of the region. This dramatic drop in revenues had a devastating impact on the local economy, generating a deep recession that affected companies, businesses, and households that depended heavily on activities related to the Railroad.

Table 1. Evolution of annual revenues in Alausí before and after the suspension of railroad activity

Year	Total revenues (USD)
2016	3,200,000
2017	900,000
Variation	-72%

Likewise, the cessation of railroad operations had a negative and significant impact on employment levels in the area, as the number of jobs, both direct and indirect, related to the Railroad was drastically reduced by 65% after its closure. This massive loss of jobs

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generated an increase in unemployment and underemployment, which translated into greater economic and social vulnerability for the inhabitants of Alausí.

Economic Activity and Tourism

The discontinuation of railroad services also had negative and significant repercussions on the economic activity and tourism of Alausí. As observed in Table 2, the number of commercial and tourism service establishments experienced a considerable decrease of 35% after the cessation of the Railroad. This contraction of economic activity and the supply of tourism services translated into less diversification and dynamism of the local economy, which hindered the recovery and sustainable development of the community.

Table 2. Evolution of commercial and tourism establishments in Alausí before and after the suspension of railroad activity

Type of establishment	Year 2016 (before)	2017 (after)	Variation
Commerce	250	160	-36%
Tourism services	45	30	-33%
Total	295	190	-35%

In addition, the number of visitors to Alausí was drastically reduced by 45% after the pause in railroad operations; consequently, this drop in tourism had a negative multiplier effect on the local economy, affecting various sectors such as lodging, food services, commerce, and transportation, among others.

Finally, the present research found that the liquidation of the railroad has generated a high decrease in tourist visits to the Alausí canton, since the train made an important journey toward the Devil's Nose, which is a world-class attraction and one of the most important heritages.

On the other hand, the limited commerce has affected a large part of the families in the urban and rural parishes, since communities such as Nizag and Sibambe provided food and handicraft services in order to generate income (9), (10). In the urban area, hotels and restaurants also evidence the negative economic impact; this has caused the closure of commercial premises, hotels, and restaurants, provoking high migration and desolation in the communities.

Lastly, a regrettable fact is the deterioration of the railroad infrastructure, the neglect, the lack of maintenance, and the insecurity; this has given way to crime and vandalism, since the railroad infrastructure has suffered destruction, with graffiti painting and the breaking of windows and doors of the stations (11), (12).

DISCUSSION

The findings revealed by the present research regarding the impact of the liquidation of the railroad in Alausí have had a devastating impact on the local economy, generating an

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unprecedented crisis. The results of this research demonstrate a dramatic 72% decrease in the total revenues of the region, as well as the loss of 65% of the jobs, both direct and indirect, related to the railroad. This situation has significantly increased the economic and social vulnerability of the inhabitants of Alausí.

In addition to the economic collapse, the research also reveals that the number of commercial and tourism service establishments suffered a considerable reduction of 35%, which translated into a concerning decline in the diversification and dynamism of local economic activity. This was aggravated by a 45% drop in the number of visitors to the region, generating a negative multiplier effect in various sectors such as lodging, food services, commerce, and transportation.

The findings of the present study corroborate and strongly support what is indicated in (14), (15), and (16) in relation to the harmful and overwhelming effect that the closure of the railroad has had on employment levels in the locality. As categorically demonstrated in the research, the number of jobs, both direct and indirect, related to the railroad was drastically reduced by an alarming 65% after its closure. This massive and concerning loss of sources of employment has generated greater economic and social vulnerability for the inhabitants of Alausí, as these researchers had anticipated and warned in their previous analyses (17).

With regard to the impact on economic activity and the tourism sector, the results obtained in this research not only coincide with, but also substantially complement and enrich what was obtained in studies by (18) and (19), where a considerable and significant decrease of 35% is observed in the number of commercial and tourism service establishments after the cessation of the railroad, which translates into an alarming and concerning reduction in the diversification and dynamism of the local economy, thereby hindering its recovery and long-term sustainable development. Likewise, the number of visitors to Alausí was drastically reduced by 45%, generating a negative and harmful multiplier effect in various economic sectors of the region (20) and (21).

Additionally, the present study provides new and interesting discoveries in relation to the progressive and concerning deterioration of the railroad infrastructure and the worrying and alarming increase in insecurity and vandalism in the area, aspects that had not been addressed in previous research (22), (23), and (24).

These new and revealing elements evidence the pressing and urgent need to implement integral and effective strategies that not only seek to reactivate the local economy, but also contemplate concrete and forceful actions to recover and preserve the valuable and emblematic railroad heritage of the region.

CONCLUSIONS

The suspension of the railroad in Alausí has had a devastating impact on the local economy, generating an unprecedented crisis. The results of this research demonstrate a dramatic 72% decrease in the total revenues of the region, as well as the loss of 65% of

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Finally, the study highlights the regrettable deterioration of the railroad infrastructure, the abandonment, and the insecurity that have proliferated in the area, which has led to a concerning increase in crime and vandalism. These findings evidence the urgent need to implement integral strategies that not only seek to reactivate the local economy, but also contemplate concrete actions to recover and preserve the valuable railroad heritage of the region.

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