

**IMPACT OF TOURISM ON ECONOMIC DEVELOPMENT:
AN ANALYSIS OF REGIONAL ECONOMIES OF KERALA**

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ABSTRACT

Kerala has become a well-recognised tourist destination and achieved impressive growth in tourist arrivals after the introduction of New Economic Policy. Tourism have an outstanding role in the economic progress of the state by providing livelihood to the local people and thereby earn income; expansion and development of the infrastructure facilities; enhancement of the local industries through linkages; improvement in the standard of living of the local people with the interaction of tourists especially the foreign tourists; aggregation of regional development and conservation of the environment. Tourism creates different types of impact upon the regional economies where it is located. In Kerala tourist arrival is highly concentrated in the central and south part, neglecting the northern part. As a result the impact created by tourism is also different in different regional economies. This spatial difference in the impact of tourism is measured by using the Index of Tourism Intensity and Tourist Penetration rate. For this, growth and trend of tourist arrivals and tourist earning to the state also calculated. The higher penetration and intensity rates calculated needs scrutinizing as it is economically beneficial or not. So an attempt has been done to identify the economic and environmental impact created by tourism upon the regional economies of Kerala.

Key Words: Tourism, Economic Impact, Ecological Impact

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**IMPACT OF TOURISM ON ECONOMIC DEVELOPMENT: AN ANALYSIS OF
REGIONAL ECONOMIES OF KERALA**

CHAPTER 1
INTRODUCTION

1.1) IMPORTANCE OF THE STUDY

Kerala's progress in various fields has been remarkable. An analysis of the long-term growth performance of Kerala economy clearly shows that the growth path since late 1980s was higher than that of all India. Per capita Net State Domestic Product in Kerala is also more than that of the all India average. This resurgence in growth is mainly contributed by the growth of the tertiary sector which contributes more than 50 per cent of NSDP's growth (Oommen, 2008). Together with high per capita income Kerala ranks first among the major states in India in terms of Human Development Index too. Kerala economy has become a service oriented economy with a significant share of the tertiary sector in the composition of state income and its faster growth during the 1980s and 1990s (Jeromi, 2003). The contribution of tertiary sector increased from 36.89 per cent in 1990-91 to 63.18 per cent in 2016-17 (Economic Review, 2017). At the same time as the shares of primary and secondary sector has declined from 36.55 per cent and 26.56 per cent to 11.6 per cent and 26.2 per cent respectively from 1990-91 to 2016-17 (Economic Review, 2017). The contribution of cash and food crops in the agricultural sector to state's income is declining. The decline in the prices of rubber, paddy, areca nut, coconut, pepper, tea and coffee shattered the dreams of the greater number of Malayalees. That is, Kerala is one of the most severely hit states of the new trade liberalisation adopted by the Government of India. The traditional industries such as coir, cashew, beedi and handloom are on the decline. Kerala is not suitable for heavy industries because of the shortage of land (38863 Sq.kms for 33387677 persons) and high density of population (Mathew, 2002). The economy of Kerala is mainly maintained by the remittances of NRI's. But the return of migrants since 1990 has augmented the financial crisis. The power sector of the state is also alarming. There is a wide gap between power supply and demand. In the banking sector, the credit deposit ratio of Kerala has sharply declined. Further, the state's share in the overall disbursement is below one per cent (Mathew, 2002).

In spite of the drawbacks explained above, Kerala tourism sector recorded a marked growth in recent years. In Kerala, tourists are able to choose different options like backwaters, beaches, ayurvedic resorts, wild life sanctuaries, pilgrimage centres, fairs and festivals and high ranges within a radius of 200 kms. So the state has become a multidimensional tourism destination in the country. The revenue generated by the tourism sector is Rs.26689.63 crore in 2015 showing an increase of 7.25 per cent over the last year's figure (Department of Tourism, Kerala 2016). Now tourism sector has become a leading sector in Kerala in terms of

economic growth and employment generation. That is why the government considered this sector as an alternative for development and implemented a lot of projects and programmes in favour of the tourism sector. The scenic beauty and in-site value of different tourism spots are necessarily being kept un-distorted to derive a sustainable economic and social benefit. However the economic significance of tourism has to be viewed in relation to the ecological concerns as well. Hence, the present study tries to analyse the contributions of Kerala tourism sector in income, employment, infrastructure, standard of living and environment in the background of new economic policy by considering the sustainable development perspective. Certainly there are a lot of studies covering tourism and its impact on different spheres at the national and international level. What follows is an overview of various studies on tourism.

1.2) ALTERNATIVE VIEWS ON TOURISM

This section presents an appraisal of studies on tourism conducted at various levels. The studies are generally classified under major heads like factors affecting tourism, benefits of tourism, international tourism, economic impact of tourism and environmental impact of tourism.

1.2.1) Factors Affecting Tourism

Tourist segments and travel contexts play in enhancing the economic development of areas (Kastenholz, 2005). Social and political problems warrant better notice in discussion over the forecast for attaining sustainable development of tourism (Scheyvens, 2011). Another factor which affects the tourist arrival is the travel package. A major share of the foreign tourists favours to arrange their tour with the assistance of package tour operations, but domestic tourists favour self-organized tour (Varughese, 2005). In addition to this, the tourists evaluate the quality of the destination. The tourists consider the quality of the destination with the indicators like landscape, climate, hospitality, cleanliness and security. But the assessment of the global quality of the destination varies according to the personality of the tourists (Santos, Couto, Pimental & Vieira, 2012). Safety and risk factors with regard to natural, terrorism and political problems are also evaluated by the tourists. The natural disasters which last for months have an impact on the figure of the international destinations. So a planned move towards the Destination Management from practical pre-crisis planning through to strategic execution and lastly valuation and feedback is needed (Machado, 2012). Thus political stability, tourism infrastructure, marketing and information and the level of development at the destination are the key determinants of travel to Africa (Naude , 2005).

However, a meta-analysis of panel data method shows a positive elasticity between GDP and tourism. In this sense, when estimates exclude other explanatory variables of economic growth, elasticity's are overvalued (Castro-Nune, Molina-Toucedo & Pablo-Romero, 2013). Teamwork has a critical role in the development of local tourism. It includes uplifting the knowledge of existing tourism related activities, including a food and beverage. But the conventional farming sectors could play a key role in raising the profile of the tourism in the area and attract eminent visitors (Alonso & Liu, 2012). There are four P's to improve the overall tourism scenario in global perspective, i.e., peaceful, pilgrimage, price affordable and pride for life. If these four P's are incorporated by Indian tourism definitely it will impact India's tourism industry in a long way and also strengthen the Indian economy with the integration of culture and heritage (Khan, 2009). There is an innovative approach for measuring tourism competitiveness using eight main indicators including price, openness, technology, infrastructure, human tourism, social development, environment and human resources. Based on these approaches it is shown that USA, Sweden, Norway, Finland and Australia are found to be most competitive destinations, while Burkina Faso, Chad, Benin, Ethiopia and Cambodia are the least competitive (Gooroochurn & Sugiyarto, 2005). The important factors which have a high impact upon the tourists are overpricing, hosts' exploitation on tourists and littering. On the other hand, the medium and low impact factors are theft, pick pocketing and prostitution respectively (Kumar, 2008). The socio-political factors like communalism, terrorism and tensions with Pakistan constitute serious threats to the tourism industry in India by limiting the gains that could otherwise have been realized (Dhariwal, 2005). So there is sufficient possibility of redirecting tourist to rural spot which is often handled by foreign tourists and proves that India is a safe place for tour (Bagri & Babu, 2009). Thus the major factors which affect the tourism of a destination includes travel context travel package, quality of the destination, travel segments and social and political problems especially the terrorism.

1.2.2) Benefits of Tourism

Tourism acts as a powerful agent for economic, cultural, social and environmental change. It stimulates all the sectors of the economy especially employment, investment, foreign exchange earnings and balance of payments. Above all it became a key for economic growth and development. Tourism has emerged as one of the largest industries both in terms of Gross Domestic Product and employment in the world today (ESCAP, 1999; WTTC, 2004). India also has a large unexploited potential for foreign tourism (Government of India, 2001). When

there is outstanding transportation, beautiful settings in the urban area, consistent water and power supply, cleanliness and solid waste disposal system to strengthen the general environment then tourism carries high proceeds with low investments. So the arrival of tourists to any destination is affected by many more factors. When the tourists are highly satisfied by the cultural offer of a particular destination, then this cultural enrichment will encourage the tourist to revisit the destination (Valle, Guerreino, Mendes & Silva, 2011). In Kerala a number of tourists prefer yoga for health purpose and fewer tourists prefer it for fun. Yoga tourists frequent visit reveal their like to participate yoga in Kerala (Ambili & Ragalingam, 2013).

The progressive development of destination involvement among the sports tourists results in increasingly high place attachment and revisit intentions (Filo, Chen, King & Funk, 2013). On the other hand, the adventure tourism is still in the early phases of development and is viewed by the respondent as having great potential for development in the Kashmir valley (Lala & Bhat, 2008). Support for a sick tourism industry helps to protect facilities and infrastructure used by the wider community, maintain tourism capacity and provide atmosphere attractive to foreign visitors (Canavan, 2013). With a lower level of investment, tourism industry makes available revenues in an astonishing amount. So for the development all the countries in the world favour tourism as an engine. The growth of the tourism sector alone can be found by calculating the growth of real GDP per capita as a measure of economic growth and disaggregate it into economic growth generated by tourism and generated by other industries (Ivanovo & Webster, 2006). Tourism brings about a mixture of people from varied social and cultural backgrounds, and also a substantial spatial redeployment of expenditure power, which has a noteworthy impact on the economy of the target area. The leading positive impact is creation of employment opportunities and the negative is the price hike in the case of land. Which means on the one hand tourism contributes to the local economy and on the other it creates some problems like traffic and parking problems (Maiya & Monis, 2011).

Broader connotations, such as the relationship of tourism to the modernization process and ways to optimize benefits from tourism, while avoiding its harmful characteristics is attained when the residents can play the game rightly. Growth is no longer considered to be continuous and community residents have now acculturated to tourism; a balance between values, needs and desires of the local people and the tourists is being attained as residents become integrated into the larger society (Kariel, 1989). But the host community's socio-cultural life can be affected by tourists. The most important one is the monetary benefit. Yet

the least ones were effects on family life, with less time spent by parents with each other and their children, as well as impacts on relationships within the community and substitution of competition for the former cooperative spirit. So there should be some limits to tourism, along with increased understanding of the process of expansion, it may be possible for residents to benefit economically from tourism without becoming totally homogenized and overwhelmed by it (Kariel & Kariel, 1982). Globalisation and tourism are interrelated because both are crossing the national boundaries and connecting the world on an extraordinary level with unbelievable pace (Motiram, 2005). In spite of all negatives, the most important benefit of the tourism sector is the chance it provides for cultural exchange and mutual understanding between tourists and natives. In most of the Wider Caribbean Region, the cultural mix is generally less diverse and visibly closer to the surface. African, Indian and Colonial elements are united by a shared common history and individual colonial roots can be traced back to England, Spain, Holland, France and Denmark as a result of tourism (Beheckhuis, 1981).

There are various socio-economic and cultural barriers that stand in the way of the development of the tourist destinations. Thus understanding the economic impact of the expenditure by tourists contributes to the understanding of the role of tourism and other sectors in regional economic development (Tohmo, 2005). Tourism became a unique vehicle for cultural propagation and essential for a deeper understanding of people when the participation and involvement of local people in tourism promotion and the benefits and incentives accorded to them are contracted with the indigenous tourism spot (Chandran, 2008). Tourism fetches a chance for the intermingling of people from different social, cultural, political, and economic conditions. The benefits and costs of tourism merit both to the visitor and natives, but vary between visitor and natives and among regions. In the case of coastal tourism, the consequences can be categorised into the changes of socio-economic and settlement patterns, cultural impact on the local population and its environmental aspects. Mass tourism may affect water supply, sensitive landscapes and socio-cultural identity. It is evident that economically successful tourism spoils the original attraction of the spot. If all the participants cooperate efficiently with the common understanding of an ecologically sustainable development, then tourism may provide positive contributions to the future of coastal areas (Gormsen, 1997).

But in the case of Venito region in Italy the large scale development of tourism has changed the structure of the region permanently. So the present attention is to set up regional policies which would create protected natural areas to counterbalance in these areas is to be

maintained (Bevilacqua & Casti, 1989). In Xidi, Zhouzhuang and Jiuhua Mountain regions, there is no universal socio cultural impact of tourism. It appears only in the early stages and resident's perception and tourism development stages have a nonlinear relationship (Qin, You-hui & Bing-yao, 2005). Tourism as a provider of jobs in Crete judged on the basis of tourism policy formulation in relation to the tourism workforce of Crete (Andriotis & Vaughan, 2004). Subsequently, route tourism initiatives in South African provinces have extended the tourism growth potential of the locality; its broader impacts upon adjacent communes have been limited because of the limitations of local government to address matters regarding tourism planning. There are numerous key prerequisites that are essential for successful tourism routes. In particular, five factors have been recognized as important elements for success: cooperation networks, regional thinking and leadership; product development, infrastructure and access; community participation, micro-enterprise development and innovation; and an explicit pro-poor focus. If it is possible there is a need to take the advantage of the local impacts through the foundation of local labour and use of local endeavour in supply chains (Wan-Chen & Huang, 2008).

Tourism is set to play a significant role in the economic restructuring contributing to a diversification of the local economic base, job creation and enterprise development. However the route tourism proposal has sharpened the spreading out of the potential of tourism and its impacts upon adjacent communities have been limited to direct job creation in the local tourism enterprises (Rogerson, 2007). So far the examination of the relationship among tourism development, economic expansion and poverty reduction in Nicaragua indicated a long run steady relationship among the three. The causality tests suggest a one-way Granger causal relation between tourism development and economic expansion and between tourism and poverty reduction and a bidirectional causal relation between economic expansion and poverty. The nexus of tourism economic expansion and poverty reduction is established in the Nicaraguan economy (Croes & Vanegas, 2008). Countries with higher income from tourism tend not only to have higher economic growth rates but also higher levels of investment and secondary school enrolment. Countries dependent on tourism showed to be rather outward oriented having low levels of real exchange rate distortion. An analysis of possible transmission channels of tourism on growth showed that most of the indirect effects of tourism can be expected to work via the physical and human capital channels. The panel data analysis has generally confirmed the results of the cross-country analysis. The estimation of a traditional Cobb-Douglas production function suggests that tourism has a positive impact

on the aggregate output of nations. A trans-log model showed that tourism capital and physical capital are complements (Holzner, 2010).

The main policy recommendation for countries in development with a potential for tourism specialization is to invest apart from tourism specific also into traditional infrastructure. On the contrary, tourism-dependent countries do not face real exchange rate distortion and deindustrialization but higher average economic growth rates. Investment in physical capital, such as transport infrastructure, is complementary to investment in tourism (Holzner, 2010). In the case of the local tourism development constituted by backpacker tourism, it is beneficial to the communities when the national government keenly support the tourism expansion. This showed that the hospitality industry is much stronger contributor to economic growth in Greece than in Spain and Cyprus (Visser, 2003). A good deal wants to be done by both the backpacker industry and local institutions pursuing tourism led economic development, to inform and educate the public in respect of the potential benefits that backpacker tourism presents to host communities (Visser, 2004). In sub-Saharan African countries also the results showed that the expenditure pattern of international tourists positively impacts the economic growth (Fayissa, 2007). Rural tourism acts as a new approach for achieving sustainable outcomes in rural India. There is a positive attitude amongst the stakeholders especially in local community towards the reestablishment of traditional cultural practices and encourages socio-cultural regeneration in rural areas (Chand & Kumar, 2005). Thus tourism is economically important, as it provides employment, it brings infrastructural improvements and it may help regional development (Paramasivan & Sacratees, 2008). Thus we can clearly say that the positive benefits contributed by tourism to a destination are much higher than the negative benefits. That is the important positive benefits like stimulation to the sectors of the economy especially employment, investment, foreign exchange earnings and balance of payment, cultural exchange between tourists and natives, economic expansion and poverty reduction are higher than the negative benefits created by tourism like price hike, traffic and parking problems.

1.2.3) International Tourism

While, due to the geographical extent and the historical significance of the regional economy of China the potentials for tourism are vast. Which means the extra income from tourism permits the acquirement of modern goods and motives the refurbishment of old farmsteads in a more or less original style, the influence of tourism on the social and cultural life may be unfavourable, particularly among the younger generations (Gormsen, Erdmann, & Gutenberg, 1990). While in Turkey it is found that the tourism led growth hypothesis is

supported empirically (Gunduz & Hatemi, 2005). On the other hand in the case of Jamaican economy tourism sector has strong backward linkages with the rest of the world. This strong Intersectoral linkage suggests that growth in tourism would have had a wide and far reaching impact on the rest of the economy and it has replaced export agriculture and mining as the engine of the growth (Singh, Birch & David, 2006). However, in Singapore the empirical evidence undoubtedly illustrates that, there exists bidirectional causality between tourism and economic growth. This relationship is cracked by the international and cross strait political change, economic shocks and the relaxing of some tourism control and policies (Lee & Chien, 2008).

However international tourism earnings, real effective exchange rate and gross domestic product are used to analyse tourism's impact upon the long run economic growth of Greece. The results showed that there is a 'strong Granger casual relationship' between international tourism earnings and economic growth, a 'strong casual' relationship between real exchange rate and economic growth and simply 'casual' relationships between economic growth and international tourism earnings and between real exchange rate and international tourism earnings (Dritsakis, 2004). The impact of international tourism receipts on the long-run economic growth of Turkey is analysed by using the fundamental relationship between international tourism receipts and GDP. The empirical results implied that there are bidirectional causal relationships between the international tourism receipts and GDP in both the short and the long-run. In other words, it can be said that economic growth contributes to the sectoral development of tourism while tourism contributes to the economic growth (Demiroz, Dundar, Ongan & Serdar, 2005).

The new heterogeneous panel co-integration technique to re-investigate the long-run co-movements and causal relationships between tourism development and economic growth for OECD and non-OECD countries (including those in Asia, Latin America, and Sub-Saharan Africa) showed that tourism development has a greater impact on GDP in non-OECD countries than in OECD countries and when the variable is tourism receipts, the greatest impact is in Sub-Saharan African countries. Additionally, the real effective exchange rate has significant effects on economic growth. Finally, in the long run the panel causality test shows unidirectional causality relationships from tourism development to economic growth in OECD countries, bidirectional relationships in non OECD countries, but only weak relationships in Asia (Lee & Chang, 2008). Using cross sectional data for 88 countries to investigate the nonlinear relationship between tourism development and economic growth shows that relatively low ratios of the value added of the service industry to GDP and the

forested area per country area are able to explain why we are unable to find a significant relationship between these two variables (Wan-Chen & Huang, 2008). But in Malaysia's case Granger causality in vector error model shows economic growth, tourism receipts and health complement each other (bidirectional causality), while unidirectional causalities are found between government tourism expenditure, physical capital, education and exports to economic growth. In addition, enhancing physical capital, education, health, exports and government tourism expenditure precede tourism receipts; all these in turn indirectly lead to economic growth thus witnessing triangular relationship among them (Li, Mahmood, Abdullah & Chuan, 2013).

The tourism economy in London in fact covers the entire economy with a lot of sectors not generally considered to be part of the tourism economy. London's tourism industry supports around 226000 jobs. Gorilla tourism in Rwanda provides the opportunities for the poor to become economically involved in the value chains relating to accommodation, food and beverages, excursions and shopping and the barriers to their involvement and thereby increase the local benefits (Spenceley & Seif, 2010). In the case of Sub-Saharan Africa, tourism is one of the fastest growing economic sectors. Although African tourism is dominated by nature tourism and cultural tourism products it must be appreciated that a large segment of Continent's expanding tourism economy. From the analysis of the post-apartheid South African experiences it is argued that debates about resurgent African urban development and the economic dynamics of urban Africa should not overlook the potential contribution of urban tourism for both driving economic growth and promote inclusive growth (Rogerson, 2013). So far the Indian tourism industry has outperformed the global tourism industry in terms of growth, in the volume of international tourists as well as in terms of revenue. The expected growth of the industry in future has provided its players with an opportunity to invest in new technologies (Khan, 2009). Taken as a whole the impact on the well-being of community residents by the tourism industry can be used for evaluating the comparative importance of the key dimensions of community quality of life (Journal of Travel Research, 2013). By using another methodology computable general equilibrium (CGE) model in Fiji showed that the increases in tourism and non-traditional exports outweigh the fall in non-traditional exports caused by an expansion of tourism (Narayan, 2004).

1.2.4) Economic Impact of Tourism

The overall impact of tourism includes the effects on output, employment, the net income of households and taxes (Tohmo, 2005). The positive impact can be measured by increased household income and job satisfaction (Info & Leon, 2007). According to Zhou, Yanagida, Chakravorty and Leung (1997) a decline in visitor expenditures reduces outputs in typical tourism sectors such as hotels, transportation, restaurants and bars, with smaller reduction in outputs for other sectors. But earnings from international tourism affected positively and a long-run stable relationship existed between economic growth and tourism expansion in the Spanish economy (Balaguer & Jorda, 2002). By improving the supply characteristics of the tourism sector, it can be considered as another way out for improving regional growth of Portugal (Proença & Soukiazis, 2005). But Sequeira & Campos (2005) argues that tourism cannot explain the higher growth rates of tourism-specialized countries. The situations of Sub-Saharan African countries are entirely different. Where like investments in physical and human capital, receipts from the tourism industry contribute much to the current level of GDP and the economic growth (Fayissa, Nsiah & Tadasse, 2007). Tourism, economic growth and other determinants are co integrated in the case of Malaysia and it has a positive impact on country's economic growth not only in the short run but also in the long run (Tang & Tan, 2015). Price of the destination, in terms of exchange rate and PPP is irrelevant for tourism growth (Martin, Morales & Scarpa, 2004). But it's socio cultural impact become visible only in the early stage of tourism development (Qin, You-hui & Bing-yao, 2005). In Kerala development of tourism has a positive impact on the economy (Mathew, 2002).

1.2.5) Environmental Impact of Tourism

An additional problem of the tourism sector is the climate change. Climate change because of tourism reactions are high in Australian states with climate change policies and in spots which are in danger due to the impacts of climate change or dependent on long heavy travellers (Zeppel and Beaumont, 2012). Typical 'developed country determinants' of tourism demand, such as the level of income in the origin country, the relative prices and the cost of travel are not so significant in explaining the demand for Africa as a tourism destination (Naude, 2005). The relevant environmental impacts include those on energy use, water use, greenhouse gas emissions and ecological footprint. For some inbound markets, simultaneous achievement of relatively high economic and environmental goals is not possible, and that economic-environmental trade-offs may be necessary (Lundie, 2007). Sikkim is blessed with natural and cultural resources and a perfect setting for sustainable

ecotourism development. With the increased invasion of tourists among a few tourists' pockets, tourism congestion sets in raising a concern on its sustainability. East district and west district are particularly affected by increased tourist inflows as well as its resultant spin-off effect on tourism infrastructure and environment (Dam, 2012).

There is a short of execution of ecotourism principles as per established policy in Tavarekoppa Tiger and Lion, Safari Sakrebailu Elephant camp and Gudavi Bird Sanctuary in Shimoga (Renushre & Uma, 2011). By viewing sustainable community qualities as resources it is expected that the resort community will carry on to catch the attention of visitors to feel connected and committed to experiencing its lifestyle, sense-of-community and natural features while also contributing to community sustainable stewardship and a strong tourism economy (Richins, 2009). It is argued that the growth in the Indian tourism sector is accompanied by imminent destruction of local ecology and an increase in pollution, which, in the long run, is going to negatively impact the tourism industry of India (Khan, 2009). That is local communities do not benefit from tourism; they rather suffer from its outcome (Baders, 2010). But the case of Himalaya is different. In the early days, people of high Himalaya's of Nepal used the forest resources for building, cooking and limited heating. But the increased amounts of travellers have changed this condition. One is the change of these resources into cash crops and the other one is the use of high return from tourism for the construction of big hotels and houses, both of which need increased use of wood for heating and cooking and thus increased the utilization of forest wealth. In the case of Sherpa community, they changed their increased wealth into larger herds of yaks and non-traditional animals. So the direct result of an increase in tourist arrival is increase in ecological degradation (Jefferies, 1982). Although the economic and social benefits added by the improvement of tourism sector are very lofty there is always a chance of preventable social and economic costs. In the fast escalation of the sector can lead to the damage to the environment which catches the attention of and fetches the tourists to a destination. The impacts of tourism in economic, political, social, cultural and environmental heads can overlap. Hence negative and positive impacts should be measured in relation to the impact of probable options to tourism in any expansion program or balance of payment initiative (Wilson, 2008).

The most serious negative impact is tourism-induced population displacements (Info & Leon, 2007). The impacts of ski resorts on adjacent natural areas are often more important than impacts of more general tourism activities further away from ski resorts. The most important environmental impacts were on water quality. Native fauna was adversely affected by tourism activities that resulted in increased numbers of feral animals and habitat reduction

and fragmentation. There was a wide range of adverse impacts from tourism on vegetation, air quality was affected, particularly around the ski resorts, but it was a less important issue than impacts on water, flora and fauna (Pickering, Harrington & Worboys, 2003). The major economic threat to the sustainability of tourism is originated from the low level of local participation, low wages, poor demand for local inputs (raw materials), leakage of income, seasonality of tourism and uneven development across the state, the major environmental issues that outbreak the sustainability are over-exploitation of the natural resource base, pollution of water bodies (inter-use conflicts) and waste dumping ; and the major socio-cultural issues affecting the sector are exclusion of local community from beaches/tourism spots (intra-use conflicts), existence of prostitution and child-sex, commoditization of culture and art forms, new building styles/ westernization of styles among people and frequent strikes/ hartals. Sustainable development demands a strategic planning approach with a major component; like assessment of carrying capacity, decentralized development, public-private partnership, capacity building, responsible tourism, integrating coastal zone management and precautionary approach (Rajesh, 2009).

To conclude it can be observed that there are different levels of tourism in the world. The most important determinant of tourists overall image of the region is the 'sun and sand' factor. The arrival of tourists to any destination is affected by many more factors. When the tourists are highly satisfied by the cultural offer of a particular destination, then this cultural enrichment will encourage the tourist to revisit the destination. Tourism industry acts as a powerful agent for economic, cultural, social and environmental change of a destination. It stimulates all the sectors of the economy especially employment, investment, foreign exchange earnings and balance of payments; plays a significant role in the economic restructuring contributing to a diversification of the local economic base, job creation and enterprise development. The overall impact of tourism includes the effects on output, employment, net income of households and taxes. On other side tourism brings a mixture of people from varied social and cultural backgrounds and also a substantial spatial redeployment of expenditure, which has a noteworthy impact on the economy of the destination. Above all it became a key for economic growth and development. That is like investments in physical and human capital, receipts from the tourism industry contribute much to the current level of GDP and the economic growth. The appraisal of previous literature has come across a number of issues related to tourism like benefits of tourism, factors affecting tourism, international tourism, economic impact, environmental impact and

other aspects of the sector. All these conclusions from the appraisal outline the present study to move forward.

1.3) STATEMENT OF THE PROBLEM

Kerala has become a well recognised tourist destination and achieved impressive growth in tourist arrivals after the introduction of New Economic Policy. Tourism have an outstanding role in the economic progress of the state by providing livelihood to the local people and thereby earn income; expansion and development of the infrastructure facilities; enhancement of the local industries through linkages; improvement in the standard of living of the local people with the interaction of tourists especially the foreign tourists; aggregation of regional development and conservation of the environment. These type of impact (of tourism) is all round and may be visible or invisible; sudden or gradual; macro or micro and region specific. The nature of impact is also depended on the type of visitors and their deeds. That is, the impact created by tourism depends upon the types of tourism activity, the structure of the host economy, the volume of tourist arrivals and difference in socio-cultural characteristics between the local residents and the tourists and the fragility of the local environment.

Despite this, the specific local results of tourist activities are influenced in Kerala by the political set up of the locality, economic and social structure, land compositions and ecology. Thus a multitude of economic and environmental impacts arises as a result of tourist activities in Kerala. Economic impact of tourism in Kerala includes the generation of income, additional employment opportunities, expansion of local industries, infrastructure development, regional development and improvement in the standard of living of the people. In the case of environmental impact tourism has contrasting result. On the one hand it acts as a conservator of environment and on the other hand tourists' destroys where they are visited. So measuring the resulting impacts of tourism is necessary for framing the tourism plan which will benefit the local people of the tourist destinations in Kerala. As a result a study of economic and environmental impacts of tourism in the wider context of Kerala is needed. On this background the present study has been undertaken to identify the impact of tourism on economic development of regional economies of Kerala after the reform measures introduced by the central government.

Tourism's attractions and dimensions are not uniform in every spots. They are different with respect to the peculiarities of the spots. That is beaches are entirely different with other spots like backwater, wild life sanctuaries and hill satiations and vice versa. So in order to study the impact upon local economies all these different types of spots are to be considered. Thus this

study is an attempt to examine whether the growth of tourism has created any impact on the regional economies of Kerala economy in terms of income, employment, infrastructure, local industry, standard of living, regional development and environment.

1.4) HYPOTHESIS:

The growth of tourism sector in Kerala has been significant. It is known that Kerala has remarkable potential for the progress of tourism. The multiplicity of Kerala's natural and cultural richness provides the basis of ample choice of tourism products and experiences. As a result the contribution of tourism sector in terms of employment, income, regional development, infrastructural development, local industry and ecology are much more. This has a local economic dimension too in terms of economic benefits as well as ecological concerns at various spots.

1.5) OBJECTIVES OF THE STUDY

- ✚ To estimate the Penetration rate and Intensity of tourism in Kerala since reforms;
- ✚ To assess the impact of tourism on selected regional economies of Kerala in terms of income, employment, infrastructure, local industry, regional development and standard of living ; and
- ✚ To identify the environmental challenges of tourism in selected tourist centres of Kerala.

1.6) DATA SOURCE AND SAMPLING TECHNIQUES

1.6.1) Data Source

The study is conducted in Kerala, a state with unique geographical features. Kerala has become a must-do destination and a perfect stop for nature lovers, adventure seekers, honeymooners, families and backpackers. This adds up to the justification for selecting Kerala as a sample state for the study. In order to study the impact of tourism on economic development of regional economies of Kerala the period is selected as 1991 to 2015. The study is based on both primary and secondary data.

1.6.1.1) Secondary Data

The important Secondary data sources the study relies on are:

- Tourist Statistics published annually by the Department of Tourism, Government of Kerala: provides the foreign exchange earnings and domestic tourism earnings of the state from tourism, number of tourist arrivals both domestic and foreign, important tourist destinations in the state, list of classified hotels etc.
- The World Travel and Tourism Council annual research report: produce reports and forecasts the sector's impact in 184 countries and 24 geographic and economic regions in the world including India.
- Report of Ministry of Tourism, Government of India: provides statistics, surveys and studies related to tourism in India i.e., number of foreign tourist arrivals, number of domestic tourist arrivals, foreign exchange earnings etc.
- Economic Review, State Planning Board, Kerala: provides valuable, balanced, comprehensive and timely information about Kerala's recent economic performance in the context of global trends, national trends and the State's own past performance.
- www.keralatourism.org
- <https://www.keralatourism.org/tourist-statistics.php>: gives destination wise tourist arrivals both domestic and foreign in Kerala.

1.6.1.2) Primary Data

Primary data was collected through survey method using pre-tested schedule. The information was gathered from the local people consists of hoteliers, travel agencies, tourist guides, handicraft workers, other shops in the tourist spots and tourists, both domestic and foreign. According to the Interim Report Kerala (2012) submitted to Ministry of Tourism, Government of India (by IL&FS Infrastructure Development Corporation), there are four major types of tourist destinations in Kerala namely Backwaters, Beaches, Hill stations and Wildlife Sanctuaries. So this classification is followed in the study and selected one dominant destination from each category based on the tourist arrivals. The sample tourism spots are as follows:

1. For Backwater Vembanad Lake is taken
2. For Beaches Kovalam is taken
3. For Hill Station Munnar is taken
4. For Wild life Sanctuaries Thekkady is taken

1.6.2) Sampling Techniques

The period of survey was four months commencing from September 2015 to December 2015. Stratified sampling technique was used for selecting the respondents. The universe of the study comprises the local residents of the sample units, and tourists both domestic and foreign. The local residents include the category of hotels and resorts (providing accommodation also), homestay providers, artists or performers, spices shops, handicraft shops, restaurants or cool bar or tea shop, studio or photographers, taxi or auto rickshaw drivers, ayurvedic centers, travel agents or tour operators, guides and book or souvenir shops. It also includes domestic tourists and foreign tourists visiting the sample destinations for a minimum period of twenty four hours and spent at least one night in a hotel or some other paid accommodation centers.

At the first stage of sampling, major types of tourism destinations (based on the Interim Report Kerala, 2012 classification) were selected. Thus the number of potential units comes to four namely Backwaters, Beaches, Hill stations and Wild life sanctuaries and the destinations selected for the study under each type were Vembanad, Kovalam, Munnar and Thekkady respectively. The survey locations were selected in such a way as to give adequate representation to different types and are on the basis of tourist arrivals during the previous year. The total sample size was determined as 500 samples including the local people, domestic tourists and foreign tourists.

At the second stage of sampling, purposive sampling method has been employed for the selection of the respondents. Each of the survey location mentioned above constituted a stratum. The main focus of the study was on the impact created by tourism on the local people, in order to ensure the economic contribution by the tourism and to measure the environmental degradation as a result of tourism. Hotels and resorts providing accommodation, home stay providers, artists or performers, spices shops, handicraft shops, restaurants or cool bar or tea shop, studio or photographers, taxi or auto rickshaw drivers, ayurvedic centers, travel agents or tour operators, guides and book or souvenir shops were selected which constitute the total sample size of 400 (100 from each destinations). Here attention is given to have at least one sample from each category from each destination.

Even though the main focus of the study was on the impact created by tourism, tourists are also surveyed in order to identify their spending habits, expenditure pattern and their attitude towards Kerala as a tourist destination. The sample size of tourists was determined as 100 including both categories. Based on the published statistics reports by the government over the last years in the sample units, it was noticed that majority of tourists arrivals constitute the domestic tourists (i.e., 80 per cent) when compared to foreign tourists (20 per cent). Therefore the total sample size of 100 includes 80 domestic tourists and 20 foreign tourists.

Table 1.1: Total Sample Size

| Category | Number of Local People | Number of Domestic tourists | Number of Foreign tourists | Total |
|--------------------------------|------------------------|-----------------------------|----------------------------|-------|
| Backwaters (Vembanad) | 100 | 20 | 5 | 125 |
| Beaches (Kovalam) | 100 | 20 | 5 | 125 |
| Hill Stations (Munnar) | 100 | 20 | 5 | 125 |
| Wild life sanctuary (Thekkady) | 100 | 20 | 5 | 125 |
| Total | 400 | 80 | 20 | 500 |

Source: Compiled by the Researcher

1.6.2.1) Brand equity of Kerala Tourism

Kerala has emerged as one of the best destination in the world with its most attractive beaches, backwaters, hill stations, wild life sanctuaries, Ayurveda and arts and festivals. It also recently listed among the 100 top brands in India. Destination branding is considered as one of the most dynamic and challenging process in the tourism marketing. Actually brand strength directly depends on the visitor's perceptions, behaviour and loyalty. All the 29 states of India can have their own independent branding on the basis of their own uniqueness and specialties. E.g. Kerala is famous for natural beauty, Rajasthan is unique for its deserts, Goa is also known for beaches, and Punjab is unique for fields and greenery. Apart from that, all the states have a rich culture, history, food, and landscapes which are the common attributes for all the 29 states (Sunaina Ahuja, 2014). For the branding six important factors namely food, spirituality, value for money, rich culture, rich history and natural beauty are considered. Kerala scores the highest rank in all these cases. The achievements of Kerala tourism was listed as

1. National Geographical Traveler after two years of research has chosen Kerala, as one of the 50 must see destinations of a lifetime.
2. Kerala Tourism had been listed among the 100 top Indian Super brands according to a study conducted by Super Brands India Limited, the Indian division of the globally renowned Super brands Limited.
3. World Travel and Tourism Council (WTTC) has selected Kerala as a partner state.
4. The New York Times in a special feature called it the place where India flows at a relaxed pace.
5. Financial Times Weekender in a cover story stated that “Kerala is where the smooth traveler goes”.
6. The World Travel and Tourism Council (WTTC) in its Tourism Satellite Accounting Study on the state estimated that Kerala Tourism would grow at a rate of 11per cent in the coming years, which is higher than Turkey, the fastest growing destination at 10per cent.
7. International Awards
 - Pacific Asia Travel Association (PATA)
 - CEO Challenge Top Destination Award for Thekkady, 2015
 - Gold Award for Corporate Social Responsibility in Kumarakom Responsible Tourism Project, 2014
 - Gold Award for E-Newsletter, 2014
 - Gold Award for E-Newsletter, 2013
 - Gold Award 2010 for Best Website
 - Gold Award 2009 for Marketing “Dream Season in Gods Own Country”
 - Gold Award 2008 for Culture - Utsavam, Kerala Arts Festival
 - Gold Award 2008 for Consumer Travel Brochure - Kerala Tourism Theme Brochure
 - Gold Award 2007 for Culture - Aranmula Cultural Village
 - Gold Award 2007 for Brochure - Destination Brochure Kit
 - Grand Award for Environment - Zero Waste Kovalam, 2006
 - Gold award for Eco Tourism-Kumbalangi Tourism Village, 2006
 - Gold Award for Publication Ayurveda: The Mantra of Niramaya, 2006

- Gold award for best E- newsletter, 2005
- Honorable Mention for Culture, 2005
- Gold award for Culture, 2004
- Gold Award for Eco Tourism, 2004
- Gold Award for the best CD-ROM Ayurveda: The Mantra of Niramaya, 2004
- Gold Award for the best CD-ROM, Kerala: The Green Symphony, 2003
- Gold Award for Marketing, 2003
- Grand Award for Heritage, 2002
- Pacific Asia Travel Writers Association (PATWA)
 - International award for Leisure Tourism, 2001
- UNWTO Ulysses Award for Innovation in Public Policy and Governance 2013 for Kumarakom Responsible Tourism Project
- Smart Travel Asia
 - 3rd best tourist destination in Asia, 2011
- World Tourism Travel Council Tourism for Tomorrow Awards
 - One of the three finalists in the Destination Category - Kerala, 2006
- ITB Berlin
 - Golden Stadttor Award for the Great Backwaters Television Campaign, 2015
 - Golden Stadttor Award for Print Campaign on Backwaters, 2014
 - Das Golden Stadttor Award for Ayurveda Campaign, 2013
 - Das Golden Stadttor Silver Award for Print Campaign, 2012
 - Das Golden Stadttor Bronze Award for TV Commercial - Your Moment is Waiting, 2011
 - Das Golden Stadttor Award for the Print campaign, 2007
 - Das Golden Stadttor Award for Best Commercial, 2006
- UNESCO Asia-Pacific
 - Heritage Award - Honorable Mention – Arakkal Kettu, Kannur, 2006

- New York ad Festivals
 - Finalist Award - Kerala Tourism - 2005
- Prague International Advertising Festival (PIAF)
 - Bronze for the Print Campaign - Your Moment is Waiting, 2012
 - Bronze for the TVC- Your Moment is Waiting, 2011
- WTM, London
 - Best Stand Award, 2011
- FITUR, Spain
 - Best International Exhibition stand - Kerala Tourism Pavilion, 2010
- Smart Travel Asia ‘Best in Travel Poll 2010’
 - Kerala voted as the best Asian holiday destination, 2010
- IAA Olive Crown Awards
 - Olive Crown Award for Kerala Tourism's print campaign on World Tourism Day, 2012
- A survey conducted by Smart Travel Asia Travel Magazine reveals that Kerala has won the distinction of being the third popular tourist destination in Asia, Bali and Phuket in Thailand, in the first and second places
- Conde Nast Traveler Readers Award
 - Favourite Indian Leisure Destination: Kerala (Runner-Up), 2014
- Conde Nast Travel Award
 - Kerala Tourism won the award for Excellence in Taking “Brand India” Global Award, 2012

8. National Awards

- Web Ratna Awards 2014
 - Golden Icon Award in the ‘Outstanding Content’ category
- Golden City Gate Award
 - Print Campaign “The Great Backwaters”, 2014
- Government of India
 - Most innovative use of Information Technology / Best Website, 2013-14
 - Best Tourism Film, 2013-14

- Most innovative use of Information Technology / Best Website, 2012-13
- Most innovative Unique Tourism Project 2012 -13 – Kochi – Muziris Biennale
- Best State (2nd Place), 2012-13
- Best Civic Management 2012 -13 – Responsible Tourism Kumarakom
- Most innovative use of Information Technology / Best Website, 2010-2011
- Best State (3rd Place), 2010
- Best Responsible Tourism Initiative- Kumarakom RT project, 2009
- Most Innovative use of Information Technology, 2009
- Most Innovative Adventure Activity -International Paragliding Championship, 2008
- Best Responsible Tourism Project – Better Together- Responsible Tourism Initiative, Kerala, 2008
- Best Tourism Film / Audio Visual Presentation for DVD Rhapsodies from God's Own Country,2008
- Best Performing Tourism State, 2007
- Best Tourism Portal - www.keralatourism.org, 2007
- Best Performing Tourism State, 2006
- Best Maintained Tourist - Friendly Monument – Sakthan Thampuran Palace, 2006
- Best Publishing - Mantra of Niramaya& Tourism Handbook, 2006
- Most Innovative Use of Information Technology, 2005-06
- Best Performing Tourism State, 2005
- Best Maintained Tourist-friendly Monument, 2005
- Best Publishing 2004-05 for Book on Ayurveda
- Best Innovative Tourism Project, 2004
- Best Marketed and Promoted State, 2004
- Best Maintained Tourist - Friendly Monument, 2004
- Best use of information technology, 2004
- Best Promotion Literature, 2004

- Best Publishing 2003-04 for Book on Panchakarma
- Best Performing State in Tourism for 2003-Award for Excellence in Tourism(For rapid growth, development and advancement in the tourism sector)
- Best Practices by a State Government, 2003
- Best Eco-tourism product, 2003
- Best Wildlife Sanctuary, 2003
- Most Innovative Use of Information Technology, 2002-03
- Most Eco friendly Destination, 2002
- Most Tourist-friendly International Airport, 2002
- Best tourism film, 2001
- Best Performing State in Tourism for 2001-Award for Excellence in Tourism(For rapid growth, development and advancement in the tourism sector)
- Most Innovative Use of Information Technology, 2000-01
- Best Performing State Award instituted by Out Look Traveller for year 2000-2001
- Best Performing State in Tourism for 2000 and 1999 -Award for Excellence in Tourism(For rapid growth, development and advancement in the tourism sector)
- Most Innovative Use of Information Technology, 2008-09
- Outlook Traveler TAAI
 - Favourite Winter Destination and Favourite Beach Destination, 2013
 - Favourite Indian State for Travel and Tourism, 2010
 - Best state that promoted Travel and Tourism, 2000-2001
- Federation of Indian Chamber of Commerce and Industry (FICCI)
 - Award for Best Use of IT in Tourism, 2004
 - Award for best Marketing, 2003
- Galileo-Express Travel and Tourism
 - Award for Best State Tourism Board in 2006
 - Award for Best State Tourism Board in 2005
 - Award for Best State Tourism Board in 2003

- Net4 PC World
 - Award for Best website in the tourism category, 2008
- Indian Association of Tour Operators' (IATO)
 - Award for the Best CDs, 2004
- NDTV
 - Business Leadership Award in Travel Category, 2007
 - Business Leadership Award in Travel Category, 2006
- CNBC Award
 - Awaaz Travel Awards for Best City-Kochi, 2014
 - Best Tourism Board, 2011
 - Best Tourism Board, 2009
 - Best Travel Destination 2009
 - Best State Tourism Board - Kerala, 2007
 - Best Travel Destination - Thekkady, 2007
- Today's Traveler Platinum Award
 - Best State Marketing Campaign - Jet2kerala campaign, 2009
- Kerala State E-Governance Awards
 - Best Website, 2008
- Travel and Leisure Award
 - Best Indian State, 2014
 - Best Green Destination, 2014
- Lonely Planet - India Travel Awards
 - Best Destination for Families, 2014
 - Best Destination for Families, 2012
- Times of India
 - Best Tourism Board, 2012
 - Best Domestic Tourism Department, 2011
- National Travel - Trade Fair
 - Best Design and Decoration, 2011

10. Kerala Tourism bagged six more National Awards from

Government of India, Ministry of Tourism in the following categories in 2011:

- Best innovative adventure activities
- Best state-most innovative cultural initiative – Utsavam

- Best Responsible Tourism Award
- Best tourist friendly award – Trivandrum Golf Club
- Best Tourist friendly port- Kochi
- Best Tourism Film- Rhapsodies from God’s own country
- Pacific Asia Travel Association (PATA) – 2011
- 3 Gold Award in marketing media, marketing –secondary government destination , marketing media –public relations –for “your moment is waiting”
- 7 times winner of Best Tourism State award from India Govt. in the last eight years
- Kerala tourism website – www.keralatourism.org bagged one more award for the best tourism website from PC world
- CNBC Travel Award

11) Kerala State Planning Board Award for best performance in implementation of Annual Plan 2013-14 (Seena Augustine (2009), www.keralatourism.org/awards.php , Economic Review, 2015).

All these achievements prompted the researcher to select Kerala as the study area.

1.6.2.2) Features of Sample Destinations

1.6.2.2.1) Back water

Back waters, the scenic beauty, form a major attraction of Kerala. It is a wide network of canals, lakes and lagoons and accounts for 900 kilometres. The backwaters have a special ecosystem because they are inland lakes connected by a net work of canals. That is the fresh water from the rivers meets the sea water from the Arabian Sea makes it a distinguished one. Many unique species of aquatic life including frogs, crabs and mudskippers, water birds such as cormorant, darts, king fisher and animals such as turtles and otters live in and alongside the back waters (Martin, 2010). The backwaters offers a magnificent view of the rural landscapes bordered by mangrove forests, hutments and rural folk engaged in their traditional occupations, coconut groves, water flora and bird life. These entire ambiences replicate Kerala in its pristine glory. The most important among backwater is Vembanad and Ashtamudi. Vembanad is the largest stretch which flows through tree districts. The Ashtamudi, the second largest, covers the major portion of Kollam district. The traditional house boat or the Kettuvallam has made these places a unique tourism product. Nowadays the houseboats have all the facilities like a living room, bath attached bedrooms, open deck and

kitchen. As a part of backwater tourism promotion the state government give wide publicity to boat races and water sports facilities in order to attract tourists. Vallamkali held every year in the backwaters is a major sporting attraction to the foreigners also.

The Vembanad Lake is the second largest lagoon in India and largest backwater stretch in Kerala. It flows through three districts of the state namely Alappuzha, Kottayam and Ernakulam and finally reaches into the sea at Cochin port. Backwater tourism offers various attractive opportunities to the tourists. Some of them are kayaking, canoeing, boating, fishing, rural tourism and sightseeing, bird watching, camping, meeting and incentive tours. Some other attractions are beaches, coir industry, house boat holidays, boat races and marine products. Vembanad Lake, a prominent on the tourist trail as it is one of the major centers for backwater boat trips, has been attracting several tourists who come here to enjoy the serene marine beauty draws increased attention from the international travellers. Kumarakom, the world famous backwater destination, which is situated on the banks of Vembanad Lake, attracts thousands of foreign tourists every year. It is a picturesque tourist destination with vast coconut groves, emerald green paddy fields and the mangrove forests interspersed with enchanting waterways and canals adorned with White Lilies make the destination a favourite haunt for the tourists all over the world. Geographically, it is a cluster of islands in Vembanad Lake. Kumarakom bird sanctuary located on the banks of the Vembanad Lake is a famous haunt of migratory birds like Siberian Stork, egrets, darters, herons and teals. A houseboat (Kettuvallam), the floating cottages in the typical Kerala architectural style is always an enchanting for the tourists. Kettuvalloms are the most important attractions of Kumarakom. Meals would be cooked on board and supplemented with fresh fish from the backwaters in the Kettuvallam. Many feel that life is more comfortable and enjoyable in the wood panelled rooms of the houseboats than in their luxurious modern apartments. Hotels, resorts, restaurants, homestay, houseboats and taxi and auto rickshaws are extending major service to tourist to Kumarakom.

1.6.2.2.2) Beaches

Beaches constitute the important tourism product of Kerala. Kerala coast is having sandy beaches, coconut palms and rocky capes across its 900 kilometres of length. The Kerala coastlines have their own sea food cuisine, water sports, relaxing spas and refreshing areas. The resorts which are near to the beaches, offers boating, water sports, swimming, sunbath and yoga to the tourists. In the beaches the tourists can watch spectacular sunsets, relax on the clean sands, walk barefoot and enjoy the cool gentle breeze. Also they can visit the local

fishermen's cove and enjoy the freshly cooked sea foods. The important among them are Kovalam Beach, Papanasam beach at Varkala, Cherai Beach, Marari beach at Alappuzha, the historic Kappad beach, Fort Kochi beach, Beypore beach, Kappil beach and Bekal. Varkala-Papanasam beach is another favourite beach for the tourists and is considered to be very sacred, where; we can find cliffs adjacent to the Arabian Sea only in southern Kerala. Cherai beach is considered as the new generation tourist hot spot. This beautiful and quiet beach is very suitable for swimming. We can occasionally watch Dolphins there. The Kappad beach, historically important, is famous for its sprawling rock that protrudes into the sea. The Muzhappilangad beach in Kannur is the longest drive-in beach in the country.

Kovalam is a world famous beach in India including three crescent shaped beaches, namely, Light House Beach, Hawah Beach and Ashok Beach (Samudra Beach). Light House Beach is the popular and largest and Howah beach is famous for sun bathing. However, the Ashok Beach is very popular among the locals. So it is crowded on the weekends with the locals, day travellers and passing by tourist buses. The Edakallu separates the Hawah beach from the Light House beach. However, the Hawah beach is separated from Ashok beach by the houses the Government Guest House and the Halcyon Castle. It was a favourite place of Europeans since the 1930s. The rocky peninsula on the beach made it a bay of calm waters suitable for sea bathing. The enjoyment opportunities at this beach include swimming, sunbathing, and herbal body toning massages, catamaran cruising and special cultural programmes. On the other hand, the beach complex includes ayurvedic health resorts, shopping zones, convention facilities, swimming pools, yoga and ayurvedic massage centres and a string of budget cottages. The other destinations which are near to Kovalam are Parasurama Temple at Thiruvallam, the monument of the Great Kovalam Poets (Ayyippilla Asan and Ayyanappilla Asan were the authors of the Great Epics, Janakeeya Maha Kaviangal, Ramakatha Pattu and Bharathampattu respectively) near Light House beach, Vizhinjam port, Vizhinjam Rock Cut Cave Temple, Vizhinjam Marine Aquarium, Chowara beach (includes fishing hamlet, Chowara Ayyappa Temple, Analothbhava Matha Church and Azhimalathara Beach) and Poovar beach.

1.6.2.2.3) Hill Station

The high ranges are characterised by greenery in everywhere. So travellers can facilitate bonding with nature and also avail towering tree top houses of wildlife watching. The Western Ghats region in the east has some of the finest hill stations like Munnar, Ponnudi, Wayanad and Wagamon. Kerala has 12 wild life sanctuaries and four national parks of which the most famous is Thekkady (Periyar Tiger Reserve) and two national parks - Eravikulam

National Park and Parambikulam Wildlife Sanctuary. The Periyar Tiger reserve is also one among the seven protected areas selected for the implementation of the India Eco-Development Project (1996- 2002) by the World Bank jointly with the State Government (Netto, 2004). The most beautiful hill station Munnar has a rare wildlife species of Nilgiri Tahr and inimitable flower Neelakurinji, which blooms only once in 12 years. Likewise, Wagamon with meadows offers adventure activities like mountain treks, paragliding and camping.

The three mountain streams namely, Mudrapuzha, Nallathanni and Kundala confluence in Munnar. It is situated above 1600 metres above sea level. It was a summer resort of former British Government in South India. Munnar is famous for its exotic flora Neelakurinnji, picture-book towns, sprawling tea plantations and winding lanes. The Top Station which is about 32 kilo meter from Munnar is the highest point on the Munnar-Kodaikanal road. Tourists visit this place to have a panoramic view of the neighbouring state Tamil Nadu and to enjoy the Neelakurinji flowers blooming over a vast area. Also, a museum for tea by Tata Tea was opened exclusively for the preservation and growth of the exquisite tea plantations in Kerala's high ranges. Munnar includes Anamudi (the highest peak in South India) which is an ideal spot for trekking. The main attraction near Munnar is the Eravikulam National Park which is famous for the endangered inhabitant - the Nilgiri Tahr. Another place of interest near Munnar is Mattupetty. It is famous for its storage masonry dam and the beautiful lake. It is also famous for the Indo-Swiss Livestock Project dairy farm which has different high yielding breeds of cows. Another interesting area is the Pallivasal, the first Hydro-electric project in Kerala. It is famous for its scenic beauty. Munnar have a waterfall in Chinnakanal, popularly known as Power House Waterfalls, which cascade down a steep rock 2000 meters above sea level. This place is also augmented with the attractive view of the Western Ghats ranges. Another place Anayirangal is a lush green carpet of tea plants having a wonderful reservoir.

1.6.2.2.4) Wild Life Sanctuary

The famous wild life parks in Kerala are Periyar National Park, Eravikulam National Park, Chinnar National Park and Silent Valley National Park. The renowned bird sanctuaries are Kadalundi, Thattekkad and Kumarakom. Periyar Tiger Reserve is one of the finest wildlife reserves in India. It spread across the entire district. It provides an opportunity for the treks and mountain walks. The Reserve has a few number of watch towers inside it for the excellent viewing of the wild life. The wealth of Periyar forests includes wide varieties of

fauna and flora. The flora of the forest includes over 1965 flowering plants including 171 grass species and 143 species of orchids. The South Indian conifer, *Podocarpus wallichianus*, also grows in this forest. The plantations of tea, cardamom, pepper and coffee plantations are also grown there. Whereas the fauna of the reserve includes mammals, birds, reptiles, amphibians and fishes. Mammals include 35 species animals like wild Asian elephant, tiger, leopard, sambar deer, gaur and wild boar, the endangered lion-tailed macaque, the bonnet macaque, Nilgiri langur, Malabar giant squirrel, flying squirrel, barking deer jungle cat, sloth bear, Indian bison, Indian wild dog, Smooth-coated Otteetc. Birds include 265 species of migrants also. It consists of the Malabar grey hornbill; White bellied Tree pie, the Indian pied hornbill, many species of dragons, flycatchers, woodpeckers, babblers and the spectacular Malabar trogon. The reptiles include cobra, viper, krait, a number of non poisonous snakes and the Indian monitor lizard. The amphibians consist of frogs like the colourful Malabar gliding frog, fungoid frog, bicoloured frog, many species of toads and limbless caecilians. Finally, the Pisces include several species of fish including the masheer (the famous and endangered game fish of India) and the smooth-coated otter. The important destinations around the Periyar are Kumily (plantation town), Murikkandy (a panorama of cardamom, coffee and pepper plantations) and Pandikuzhi (a popular picnic spot offers great opportunities for trekking and is a photographer's delight).

Thus we can say that the primary attractions in Kerala are nature based, with 'natural beauty and greenery' as the primary attractive features. The selected sample destinations attract more tourists than the others included in that particular category. That is, Kovalam attract more tourists among the beaches in Kerala. Similarly Munnar, Thekkady and Vembanad attract comparatively more tourists in the category in which they included. As a result these tourist destinations opened up doors of job opportunities to the local common as well as outsiders by way of trade, transport, hotel and others. Most importantly these destinations pose a challenge of pollution and damage to the natural ecology. Thus these are the factors to be researched here.

1.7) METHODOLOGY:

1.7.1) Statistical Techniques

This section briefly discusses the econometric and other statistical tools used in the study but detailed analysis is explained in the respective chapters. The present study is both descriptive and analytical in nature. It is descriptive in dealing with the role of tourism in the economy

and discussing the trends of global tourism. It is analytical while dealing with the impact of tourism (both economic and ecological) on the economic development of regional economies of Kerala.

Objective 1

For the first objective of estimating the penetration rate and intensity of tourism in Kerala since reforms, Tourist Penetration Rate and Index of Tourism Intensity are used.

Where,

$$\text{Tourist Penetration Rate} = \frac{(\text{Number of Visitors} \times \text{Average length of Stay})}{(\text{Midyear Population} \times 365)} \times 1000$$

Index of Tourism Intensity is measured by using the following equation:

$$\text{Index of Tourism Intensity} = \frac{N(i) \times 100}{R(i)}$$

Where,

N (i) = Density of Tourists

R (i) = Density of population

To measure the growth and trend pattern of tourist arrival and tourist earnings, this study used Simple growth rate, Compound annual growth rate, Trend analysis, Karl Pearson’s Coefficient of Correlation and Regression Analysis.

Objective 2

To assess the economic impact of tourism on selected regional economies of Kerala in terms of income, employment, infrastructure, local industry, regional development and standard of living, we used Impact Assessment Scale based on the five point Likert Scale. This is based on the primary data collected from the personal interview with the local people. In order to supplement the result Total Score Analysis, Group Score Analysis, Spearman’s Rank Correlation, Kendall’s Coefficient of Concordance, One sample t test and Paired t test are employed.

Objective 3

To identify the environmental challenges of tourism in selected tourist centres of Kerala, a five point Likert Scale is used. The Likert scale or Environmental Impact Assessment Matrix prepared by Clemson International Institute for Tourism & Research

Development, Department of Parks, Recreation and Tourism Management, Clemson was used. One sample t test is also used.

1.8) LIMITATIONS:

There are some limitations during the course of the study. They are:

- ✚ In the present study only economic and ecological impacts are measured. Other impacts like social and cultural are not considered.
- ✚ The study is mainly based on the attitudes of the respondents, which might have its own drawbacks. The chance of hiding certain facts from the part of the respondents could not be ruled out, even though all possible efforts have been made to obtain right information.
- ✚ The primary data is collected only from the local people and tourists; and other persons who are related with tourism especially government officers are not included.
- ✚ The sample units are restricted to four tourist destinations in Kerala. So the conclusions based on this study have their own limitations of generalisation.

1.9) CHAPTER SCHEME:

The present study consists of seven chapters.

The first chapter is introductory and it spells out the review of literature, objectives of the study, hypothesis, and methodology. Detailed descriptions of the sample destinations and limitations of this study are also included in this chapter. The second chapter provides an analytical frame of the study. It explains various theories related to tourism, relationship between tourism and New Economic Policy and tourism under five year plans are discussed. The first objective including growth of tourist arrivals and tourism earnings, tourist penetration rate and index of tourism intensity are discussed in third chapter. The fourth and fifth chapter deals with the economic impact of tourism on the selected regional economies of Kerala. The sixth chapter deals with ecological impact of tourism in the selected regional economies of Kerala and finally, the seventh chapter deals with the summary and conclusion of the study.

CHAPTER 2

ECONOMY, ECOLOGY AND TOURISM: THEORETICAL PREMISES

2.1) INTRODUCTION

This chapter builds an analytical frame to the study. Firstly it deals with different theories, upon which the earlier researchers are focused, including Innovation theory, Maslow's Hierarchy of Needs Theory and Contingent Valuation. Then it explains the theory on which this study is based upon. Then it deals with the Sustainable Development Goals, General Agreement on Trade and Services and New Economic Policy and their relationship with tourism. After that tourism development during the plan period is also incorporated.

2.2) THEORIES OF TOURISM AND SUSTAINABLE DEVELOPMENT

Different theories have been used in the area of tourism and sustainable development. Most of these available in this area are particularly with regard to development. Theoretically tourism comprises the activities of persons travelling and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. In the early period itself the tourism studies focused on different approaches like Innovation theory, Maslow's Hierarchy of Needs Theory, Contingent Valuation, Leisure Ladder Model, Veblen Effect, Destinations Lifecycle Theory, Dependency Theory, Environmental Kuznets Curve and Theories of Sustainable Development.

In Schumpeter's theory "innovation means improvement in the existing services, introduction of new services and opening up of new markets". In tourism we can consider innovation as advancements that could reduce spending by changing manufacturing process and the development of novel business paths, arrangements and ICT based advancements in allocation and promotion (e-tourism). According to Maslow "all human needs can be arranged in a hierarchy of five categories, beginning with physiological needs such as hunger, thirst and sex, and ascending stepwise to the needs of safety, belongingness and love, esteem and self actualisation" (Maslow, 1943). In tourism this theory explains that tourists are attracted to the destinations for satisfying their needs like self-actualisation, love and belongingness. When persons are participated in a tourism activity they seek to fulfil more than one need. Contingent Valuation is "a survey based economic technique for the valuation of non-market resources, such as environmental preservation or the impact of contamination" (Krutilla, 1967). In tourism perspective the contingent valuation is used to understand how much people are willing to pay for the maintenance of a biodiversity or ecology.

The Leisure Ladder model is similar to Maslow's hierarchy of needs. It was developed by Pearce (1988) and provides more comprehensive insights into definite tourist actions. It explains the individual characteristics based on tourist life cycle. Here tourists move on

hierarchy. For example, prior to move into higher steps they take care of relaxation and bodily needs. 'Conspicuous Consumption or Demand' also called 'Veblen Effect' have gained importance not only in economic theory but also in travel and tourism activity. It explains the purchasing of goods or services to show the status. The use of luxury star hotels, travelling on deluxe cruises and first or business class flights can, of course, be brought up as a touch-stone for the applicability or relevance of the concept in tourism. John Krutilla's Modern Theory of Resource Conservation (1967) deals with the economic value of undisturbed natural environments and conservation of wild and endangered species, wild lands, river and scenic resources. In tourism we can use this theory to measure the economic value of the tourism spots and the environmental preservation. Destinations lifecycle theory is a classic theory of tourism put forwarded by Butler (1980). According to this theory "tourist destinations go through different phases of development". This theory emphasises the dynamic, market driven thrust of tourism development and argues that successful destinations pass through a regular sequence of growth stages that parallel the S-shaped logistic curve. This growth stages comprises emergence, involvement, growth, consolidation, maturity and stagnation followed by decline or rejuvenation. Progress along the development continuum involves increasing industry institutionalization, facility scale, visitor saturation and cumulative ecological impact (Dann & Cohen, 1991; Butler, 1994).

According to the dependency perspective (late 1950s), crowd tourism development in the developing or under developed countries improves their local economy by providing increased employment opportunities, higher quality of life, improves educational opportunities and reinforcement of the infrastructure. Dependency theory emerges as a critique of modernisation paradigm. Based on the Marxist principle, dependency theory deals that economies of one group of countries are conditioned by the development and expansion of others. So the aim of wealthy industrial economies is to encourage developing economies to grow in the way of these developments are beneficial to the wealthy countries. For this wealthy economies definitely utilise their technological, political and financial advantages. The dependency theory analysed the unequal and exploitative relationship between different areas and examined the inequality in terms of exchange relations.

The Environmental Kuznets Curve implies that as nation undergoes industrialisation and especially the mechanization of agriculture the center of the nation's economy will shift to the cities. As internal migration by farmers looking for better paying jobs in urban hubs, it causes a significant rural urban inequality gap (the owners of firms would be profiting, while labourers from those industries would see their incomes rise at a much slower rate and

agricultural workers would possibly see their incomes decrease), rural populations decrease as urban populations increase. Inequality is then expected to decrease when a certain level of average income is reached and the processes of industrialization – democratization and the rise of the welfare state – allow for the benefits from rapid growth, and increase the per capita income. Theories of sustainability include Early Community Development Model, Popular Sustainability Theory and ‘Ideal’ Scientific Model. Early community development model studies environment, society and economy as separate disciplines (circles of influence). However Popular Sustainability theory emphasizes the links between environment, society and economy. But the ‘Ideal’ scientific model has three circles. The largest one is the ‘environment’, the second one lies within largest is ‘social’ circle and finally the ‘economy’ circle which lies within social use systems approach to incorporate linkages (dependencies) and feedback effects between all three spheres

2.3) SUSTAINABLE DEVELOPMENT GOALS AND TOURISM

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 Goals build on the successes of the Millennium Development Goals while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interconnected often the key to success on one will involve tackling issues more commonly associated with another. The SDGs work in the spirit of partnership and pragmatism to make the right choices now to improve life, in a sustainable way, for future generations. They provide clear guidelines and targets for all countries to adopt in accordance with their own priorities and the environmental challenges of the world at large. The SDGs are an inclusive agenda. They tackle the root causes of poverty and unite us together to make a positive change for both people and planet. The SDGs comprises 17 goals and 169 targets. Tourism can contribute directly or indirectly to all these Goals. Specifically tourism appears in the Goals 8, 12, and 14. These Goals relate to inclusive and sustainable economic development, sustainable consumption and sustainable use of oceans and marine resources. Goal 8, promotes “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” and includes target 8.9: by 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products. Goal 12, aims at “ensuring sustainable Consumption and Production patterns”. It comprises target 12.b: Develop and

implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products. The focus of Goal 14 is to “conserve and sustainably use the oceans, seas and marine resources for sustainable development”. The target 14.7 reads: by 2030 increase the economic benefits of SIDS and LCDs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

The UNWTO has the charge of encouraging the contribution of the tourism sector to the SDGs. It contributes through the technical assistance and training to the attainment of the Goals especially the Goals 8, 12 and 14. The tourism companies promote responsible tourism to achieve SDGs by giving importance to social, natural and cultural environment and promote sustainable development of tourism destinations. The sector helps to the design of decent jobs (especially to the women, youth and disadvantaged groups) and obtains a reasonable income, security and social protection. Owing to the inter-sectoral nature, tourism has the capacity to strengthen public-private partnerships and involve multiple stakeholders - international, national, regional and local- to work together to achieve the SDGs. Initiatives of the world tourism organisation to achieve sustainable and responsible tourism include Global Code of Ethics for Tourism (comprehensive set of principles designed to guide key players in tourism development), private sector commitments to this Code of Ethics (to uphold the principles of the Code and to implement them into their corporate governance), UNWTO Ted Qual Certification System (aimed at tourism education, training or research institutions), ST-EP Initiative (promotes poverty alleviation), Hotel Energy Solutions (to enable hotel and tourism accommodation enterprises to measure, assess and reduce their energy consumption and carbon footprint) and Nearly Zero Energy Hotels. In the same way United Nations Global Compact also introduced some initiatives like Women’s Empowerment Principles, Business for Peace (to reduce conflict and instability by the business sector), Food and Agriculture Business Principles, CEO Water Mandate (implementation and dissemination of water sustainability policies and practices), Caring for Climate and Business for the rule of law to strengthen the rule of law by the private sector.

Tourism involves demand for significant amounts of energy and consumption of many goods and services. Without responsible management practices the industry can degrade the very features on which its prosperity is based. As well, the actions of people in other economic sectors affect the quality of and access to the environment. These actions can degrade the environment on which tourism depends, so tourism management needs to be integrated with management of other economic sectors. Thus, particularly in sensitive environments, the

tourism industry can be a significant force for maintenance and improvement, or for degradation. The direct linkages between tourism activities and environmental quality mean that the industry has much to offer and to gain, from being a leader in sustainable development. The fact is true particularly in developing economies, where the industry is both a source of support for development and a vehicle for cultural contact. From the Brundtland Commission (the World Commission on Environment and Development, 1987) and from the 1980 World Conservation strategy began the popularization of sustainable development as a goal for human society. Within the discipline of ecology an area of specialization has been developed which aims at translating knowledge of ecological function into more effective management of human activities. This specialization is environmental management. Some of the key concepts used within this specialization are the ecosystem, environmental impact assessment, carrying capacity utilization and environmental monitoring.

Sustainable tourism development aims to preserve the quality of life of the local community and the quality of the tourist experience. The Caribbean Tourism Organisation Sustainable Strategy for the Caribbean, 1998 defined Sustainable tourism development as “the optimal use of natural, cultural, social and financial resources for national development on an equitable and self sustaining basis in order to provide a unique visitor experience and an improved quality of life through partnerships among all stakeholders.” That means sustainable development is challenge to the tourism industry to expand the industries capacity and maintain quality of its products without harmfully affecting the physical and human upbringing that maintain them. As a result in order to face these challenges (identified by Agenda 21) a document was formed by WTTC, WTO and UNCED. The priority areas identified to foster sustainable tourism development include:

- a) Public Sector: Priority areas under public sector include assessing the capacity of existing regulatory, economic and voluntary framework to bring about sustainable tourism, assessing the economic, social, cultural and environmental implications of the organization’s operation, training, education and public awareness, planning for sustainable tourism development, facilitating exchange of information, skills and technology relating to sustainable tourism, providing for the participation of all sectors of society, designing of new products with sustainability at their core, measuring progress in achieving sustainable development and partnerships for sustainable development.

- b) Private Sector: On the other hand the priority areas under private sector include design of environmentally sensitive products, energy efficiency, conservation and management, environmentally sensitive purchasing policy, hazardous substances, involving staff, customers and communities in environmental issues, land-use planning and management, management of fresh water resources, noise control, partnerships for sustainable development, protection of quality, transport, waste minimization, reuse and recycling and waste water management.

The initiatives of the WTO to achieve sustainable development are UNWTO global code of ethics for tourism, private sector commitment to the UNWTO global code of ethics for tourism, tourism and sustainable development goals, ST-EP initiatives, hotel energy solutions, nearly zero energy hotels, manuals and recommendations on accessible tourism and UNWTO Ted Qual certification system. On the other hand the United Nations Global Compact's initiatives include women's empowerment principles, business for peace, food and agriculture business principles, CEO water mandate, caring for climate and business for the rule of law.

2.4) TOURISM AND GENERAL AGREEMENT ON TRADE AND SERVICE

The Services included in the agreement are government, telecommunication, pharmaceuticals, hospitality or tourism, mass media, healthcare or hospitals, public health, information technology, waste disposal, banking, insurance, financial services, FMCG, legal services, construction, food processing, consulting, gambling, retail sales, franchising, real estate and education . The basic principles of the GATS are all services are covered by the GATS, Most-favoured-nation treatment applies to all services (except for one off temporary exemptions), national treatment applies in the areas where commitments are made, transparency in regulations, inquiry points, regulations have to be objective and reasonable, international payments normally unrestricted and individual countries' commitments negotiated and bound. There are four modes of supply in GATS. Out of this Consumption abroad is related to tourism. Where the supplier is present and the form of delivery is either outside the territory of the Member or movement of consumer or property abroad.

While countries have sovereign authority to regulate their domestic markets, the purpose of trade negotiations in services is to remove the unnecessary regulation, to facilitate domestic and foreign business and thereby increase trade and investment in services. Tourism as a sector is far more liberalised than any other GATS sector. In order to generate much needed foreign exchange revenues, 120 member countries have made commitments to facilitate

market access and foreign direct investment in tourism. While GATS provides a framework for tourism services that have already been liberalised in most countries, governments are nonetheless engaged in a process leading to further binding and irreversible commitments with potentially significant implications on tourism development, including WWFs work on responsible tourism. GATS tourism definition include the sectors namely hotel and restaurants, travel agencies and tour operators and tourist guides. GATS Schedules contains some limitations related to the tourism sector like horizontal restrictions (currency controls), equity limitations (limitations on the movement of natural persons that is visa and immigration measures not directly covered under GATS) and sectoral limitations (including cross border supply unbound due to lack of technical feasibility, economic needs tests for new bars or restaurants, minimum standards for hotel size and MFN exemptions for CRS in Aviation Sector). GATS conduct symposiums for the up gradation of the tourism services on time to time based on some themes. The main themes of symposiums are sectoral linkages, relevance of Tourism Satellite Accounts (TSA); structure of existing commitments; implications of rapid technological change; the competitive environment; and implications for negotiations.

2.5) NEW ECONOMIC POLICY AND TOURISM

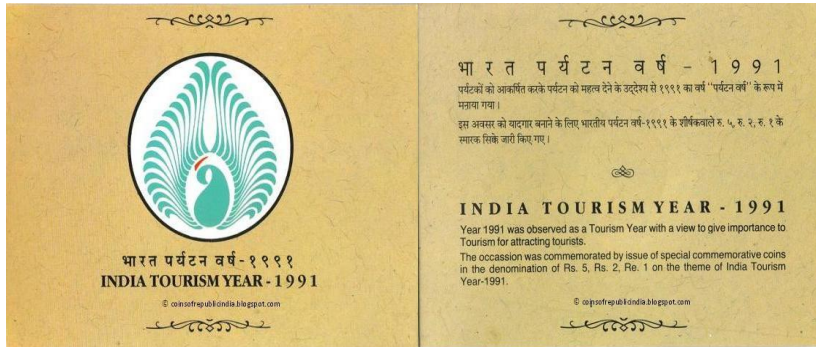
Economic reforms in India were introduced in 1991 as a result of a severe macroeconomic crisis in the economy. A new strategy of outward looking and export orientated commonly known as Structural Adjustment Programmes was introduced by the World Bank and IMF to overcome the financial crisis facing the country. This programme was to stimulate the economy through reduction of the state control to encourage internal and external competitiveness and to make the economy more export oriented. The provision for the allocation of loan was the package of macroeconomic policy reforms. So these policy reforms are became the objectives of the Structural Adjustment Programmes in India. The major areas of reforms are summarised in the table 2.1:

Table 2.1: Elements of Structural Adjustment Programmes in India

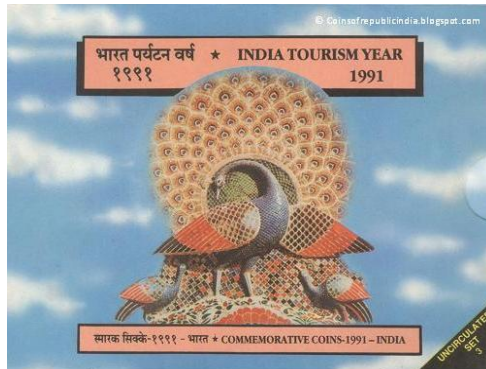
| Policy Areas | Year of Commencement of Reforms in India |
|---------------------------|---|
| I Trade Policy Reform | 1986 |
| II Market Reform | 1991 |
| III Fiscal Reform | 1991 |
| IV Monetary Policy Reform | 1991 |
| V Exchange Policy Reform | 1991 |

Source: Gulati (1994) and Ahluwalia (1994).

The policy changes adopted by India falls broadly into two categories namely, stabilisation measures and structural adjustment measures. So the major thrusts of the reforms of 1991 was related to the measures to address the macroeconomic and balance of payments crisis through fiscal consolidation and limited tax reforms, removal of controls on industrial investment and on imports (other than consumer goods initially), reduction in import tariffs, creation of a less unfavourable environment for attracting foreign capital, prudent management of movements in the exchange rate while allowing market forces to play a major role in its determination, making the rupee convertible for current account transactions and finally, opening energy and telecommunication sectors for private investment (domestic and foreign) (Srinivasan, 2003). Generally, the components of reforms have been categorised into Liberalisation, Privatisation and Globalisation. The structural adjustment programmes have condensed the authority of the state system and tinted the deliberate significance of the private sector in the expansion of tourism. Tourism is declared as a source of Foreign Investment and made it a priority sector for foreign direct investment by making it eligible for automatic approvals up to 51 per cent of the equity. Along with these measures government declared the year 1991 as the ‘Visit India Year’ and which was later changed into “India Tourism Year” a year to be loyal for the expansion of tourism in the country.



To commemorate this tourism year Government of India issued a one rupee coin on 25.12.1991 for general circulation and Rs.2 and Rs.5 coins as proof and uncirculated specimens.



VIP Set: Coins of Rs.5, Rs. 2 and Rs.1

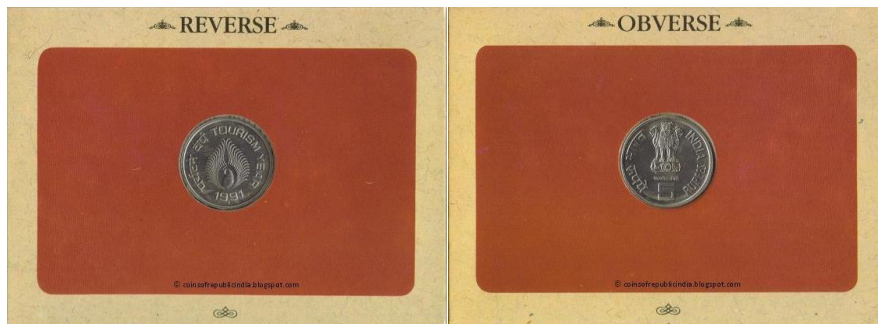
Proof Set 1: Coins of Rs.5, Rs.2 and Rs.1



Proof Set 2: Coins of Rs.5 and Rs.2



Proof Set 3: Single Coin of Rs.5



UNC Sets were also released as a part of Tourism Year celebrations along with VIP Set and 3 Proof Set in 1991. The details are shown in the table 2.2.

Table 2.2: Details of Coins Introduced in 1991

| 1991 Tourism Year | | | | | | |
|---|---|--------|---|----------|-----|----------------|
| Obverse Description | | | Reverse Description | | | |
| <ul style="list-style-type: none"> ➤ Ashoka Lion Capital ➤ Denomination Below | | | <ul style="list-style-type: none"> ➤ Stylised Peacock Dancing ➤ Date Below ➤ Legend Tourism Year | | | |
| Deno | Metal | Weight | Dia | Shape | KM | Remarks |
| Rs.5 | Cupro nikel | 12.5g | 31mm | Circular | 153 | Edge: Security |
| Rs.2 | Cupro nikel | 6g | 26mm | Circular | 123 | |
| Rs.1 | Cupro nikel | 6g | 26mm | Circular | 91 | |
| Mint | Mumbai | | | | | |
| VIP Set | All Three Coins | | | | | |
| Proof Set | All Three Coins (Blister pack) | | | | | |
| Proof Set | Two Coins Set of Rs.5 and Rs.2 (Blister pack) | | | | | |
| Proof Set | Single Coin of Rs.5 (Blister pack) | | | | | |
| UNC Set | All Three Coins (Blister pack) | | | | | |

| | |
|---------|---|
| UNC Set | Two Coins Set of Rs.5 and Rs.2 (Blister pack) |
| UNC Set | Single Coin of Rs.5 (Blister pack) |

Source: Government of India

Also the government issued stamps on this background



As a part of the tourism promotion during the reform period the most important plans of the tourism department was promotion and publicity, central assistance for the development of tourist infrastructure, human resource development and incentives. The central government's investment for the construction and development of tourist amenities are channelized on a cost sharing basis through state and union territories. Through this pattern of spending all the expenditures are met by the Central Department of Tourism. But some exceptions are allowed in the case of construction projects' cost of land and interior decoration. A new scheme known as Equity Scheme was also formulated for the contribution of funds to major projects. The government granted Export House Status to tourism units. This allowed the tourism units to get all the settlement obtained to the recognised export houses together with the entitlement of Special Import License, free trading of these Special Import License, import of several equipments under this Special Import License, Waiver of Bank guarantee for imports and import of cars against foreign exchange earnings. The liberalisation and privatisation measures especially in the area of civil aviation and telecommunication also changed the tourist atmosphere of the country. With a view to stimulating domestic and international investments in this sector, the government has implemented the following initiatives (Patel, 2012):

- 100 per cent FDI under the automatic route is now permitted in all construction development projects including construction of hotels and resorts, recreational facilities and city and regional level infrastructure.

- 100 per cent FDI is now permitted in all airport development projects subject to the condition that FDI for up gradation of existing airports requires FIPB approval beyond 74 per cent.
- A five year tax holiday has been extended to companies that set up hotels, resorts and convention centres at specified destinations, subject to compliance with the prescribed conditions.
- Plans for substantial up gradation of 28 regional airports in smaller towns and the privatization and expansion of Delhi and Mumbai airports.

As a result of the new economic reforms introduced by the government, the Indian economy experienced a tremendous growth in all sectors including tourism. India's tourism industry has been making strong progress since the start of the reform process in 1991. Tourist arrivals from G7 countries have been growing steadily in post reform period. The growth has been substantial particularly in the case of US (50 per cent), Canada (56 per cent), UK (42 per cent) and Japan (36 per cent). The tourist arrivals from G7 nations comprise more than 50 per cent of the total arrival. It is expected that with the reform process fully in place, the tourism sector will attract further interest from tourists from these countries. There is an increasing trend of tourists to India after the liberalisation measures. The increasing trend of tourists definitely increased the number of employment generated in the locality. The economic significance of tourism can be analysed on the basis of its capacity to reduce unemployment in the economy. Basically, tourism is highly labour intensive and provides employment to both highly trained managers and accountants and unskilled gardeners. These include activities like travel agencies, souvenir shops, village artisans, folk artists, carpet weavers and many others (Kartik and Tisdell, 1998). It is estimated that an investment of one million rupees creates 89 jobs in the hotel and restaurant sector, a key segment of the tourism industry as against 44.7 jobs in agriculture and 12.6 in manufacturing industry (Seth, 1996). In 1994-95 the tourism industry in India has provided direct employment to the tune of 18.4 million i.e., one million more than the estimated figure for 1993-94 (Market Survey, 1995).

The increased role of unemployment reduction by the tourism has definitely contributed to the income generation to the local people of the tourist spots. In the pre reform periods, the foreign exchange earnings was stabilised around \$1.5 billion. However, it has increased to more than \$2 billion in the post reform period. The percentage increase in income was very high between 1990-91 and 1991-92. This was more than 87 per cent in rupee terms and was due mainly to the devaluation of the rupee in these years. India's tourism industry has been making strong progress since the start of the reform process in 1991. India's share of world

tourist receipts has increased significantly during this period. Along with this, the share of tourism to the GDP of the country is also increased.

The foreign exchange earnings of the country before the introduction of the reform were around at \$1.5 billion. But it has enhanced to \$2 billion after the introduction of reform. But 1990-91 to 1991-92 periods showed an enormous increase of 87 per cent in terms of rupee. This was mainly due to the devaluation of the currency introduced as a part of the reform measures. After the introduction of the reform measures the allocation of the fund by the government to the tourism sector showed an increasing tendency. Man Power and Institutional Development, Marketing and Publicity and ITDC are areas of major spending. The total budget allocation to the sector has increased by almost 40 per cent between 1992-93 and 1995-96 (Roy and Tisdell, 1998). That is the investment in 5 star, 4 star and 3 star hotels increased 15 fold, 17 fold and 9 fold respectively after the introduction of reform measures. The area of car rentals also shows an increment of 10 fold. Like that we encouraged investment in the areas of aviation and telecommunication. The growth of tourist arrivals from G7 countries are directly affected by the aviation industry's liberalisation and privatisation measures. So the government took further initiatives in the tourism field due to the growing tendency. Then a great deal of tourist resources was organised to make profit. For the first time we celebrated Indian Tourism Day on January 25, 1998. Similarly we celebrated the year 1999 as 'Explore India Millennium Year' by hosting shows and exhibitions. After that in the next decade we restructured the schemes of Integrated Development of Tourist Circuits, and Product/Infrastructure Destination Development. Then the Government introduced new programmes like Visit India programmes, Pravasi Bharatiya Divas celebration, Dual Citizenship to certain categories of diasporic Indian, visa on arrival and e-visa to persuade the NRIs and PIOs. By initiating the advertising campaign like the "Incredible India", the Tourism Ministry has played a significant role in the expansion of the industry. Thus to conclude we can say that the introduction of reform measures in the area of tourism and related areas helped the sector to revive and contribute to the generation of employment and income and to earn foreign exchange.

2.6) THEORETICAL FOUNDATION FOR THE STUDY

There are a lot of theories related to tourism. This study is focusing on Dependency perspective. Because, Dependency can be defined as an explanation of the economic development of a state in terms of the external influences - political, economic and cultural - on national development policies (Sunkel, 1969). As a result according to the dependency

perspective, crowd tourism development in the developing or under developed countries improves their local economy by providing increased employment opportunities, higher quality of life, improves educational opportunities and reinforcement of the infrastructure. Dependency theory emerges as a critique of modernisation paradigm. Based on the Marxist principle, dependency theory deals that economies of one group of countries are conditioned by the development and expansion of others. So the aim of wealthy industrial economies is to encourage developing economies to grow in the way of these developments are beneficial to the wealthy countries. For this wealthy economies definitely utilise their technological, political and financial advantages. The dependency theory analysed the unequal and exploitative relationship between different areas and examined the inequality in terms of exchange relations.

According to Opperman “tourism is an industry like any other, which is used by the developed countries to perpetuate the dependency of the developing countries. Instead of reducing the existing socio-economic regional disparities within the developing countries, tourism reinforces them through its enclave structure and its orientation along traditional structures” (Oppermann, 1993). So we can promote tourism as a development approach to transfer technology from one place to another, to increase employment opportunities in the economy, to generate foreign exchange earnings, to increase GDP of the economies, to capture developmental capital and to develop a modern way of life which is based on western values. As a result tourism transforms rural, traditional societies into modern, urban societies. Here we can see a migration of rural workers to the tourist destinations. Along with this rural-urban migration tourism also generate higher foreign exchange earnings. This generated income creates large multiplier effects which definitely stimulate the economy.

Peripheral countries tourism development has a strong influence on the core countries events. This is because the core countries can control the flow of tourists from core to peripheral and the retaining of hotels and resorts. Likewise, the tasks of travel agents in the core countries can wield a burly impact on the habitation rate of hotels and spatial sharing of the tourist flow in receiving countries.

Table 2.3: Tourism and Dependency Theory

| Components of Development | Tourism Development under Dependency Theory | | |
|-------------------------------------|---|---------------------|---------------------|
| | Traits | Positive Attributes | Negative Attributes |
| A) Scale and Control of Development | | | |
| Focus | Economic | Higher Domestic | Less Environmental |

| | | | |
|---|-----------------|--------------------------|--------------------------------|
| | | Profits | |
| Scale of Development | Large/ Small | Mixed profits | May lack community fit |
| Rate of Development | Fast | Higher Domestic Profits | May lack community fit |
| Economic Distribution | Local Owners | Increased Multiplier | Elites Benefits |
| Planning | Top down | Public Agency Control | Over Regulation |
| Local Involvement | High | Increased Local Control | Tourism Inexperience |
| Ownership | Local | Increased Local Control | Tourism Inexperience |
| Industry Control | Internal | Increased Local Control | Reduced Global Market |
| Role of Government | High | Protectionism | Over regulation |
| Management Origin | Domestic | Local Knowledge | Tourism Inexperience |
| Accommodation Type | Mix | Use of local resources | Reduced Profit |
| Spatial Distribution | Varied | Local Opportunities | Reduced Profit |
| Tourist Type | Mix | Travel to new areas | Reduced Profit |
| Marketing Target | Mix | Increase- Local Tourists | Lack of International Receipts |
| Employment Type | In/formal | Employment Multiplier | Lack of Experience |
| Infrastructure Level | High/low | Non touristic uses also | Lack Community fit |
| Capital Inputs | High/low | May Increase Multiplier | Lack Community fit |
| Technology Transfer | Mix | Self reliance | Reduced Global Market |
| B) Local Community and Environmental Linkages | | | |
| Resource Use | High/low | May Increase Multiplier | Environmental Damage |
| Environment | Mix | Minimize Costs | Environmental Damage |

| | | | |
|-------------------------|------------|------------------------|-----------------------|
| Protection | | | |
| Hinterland Protection | High | Use of Local Resources | Intermittent Supply |
| Intersectoral Linkage | High | Increased Multiplier | Intermittent Supply |
| Cultural Awareness | Protective | Cultural Integrity | Tourist Restrictions |
| Institution Development | High | Stronger Institutions | Tourism Inexperience |
| Local Compatibility | High | Resident Acceptance | Reduced Global Market |
| Adaptive Capacity | Low | Self reliance | Open to Market Change |

Source: [www.http://hotelmule.com/batch.download.php?aid=3375](http://hotelmule.com/batch.download.php?aid=3375)

The potential for meeting basic needs and improving economic conditions will be depended on the intervention and good will of the outsiders. Tourism with its small scale development, provides opportunities for local empowerment, encourages the use of local knowledge and labour, promotes local ownership, perpetuates local identity and strengthens economic identity. They depend on tourists who mostly belong to the industrialised countries and use their international airlines and travel agencies. Although tourism measures cannot break the linkage, they could weaken the linkage between the capitalist metropolis and the non-capitalist satellites and help the Third world to be more self reliant.

Thus the dependency theories point out that the relationship between the center and periphery are dynamic because they tend to reinforce and strengthen the unequal patterns. There is a clear “national” economic interest for each country and these interests are fulfilled by meeting the requirements of the poor within a society. Their relationship is a “voluntary” one because they share their values and culture with each other. Also believes in following the liberal economic activities in the economy to achieve economic development. So when we connect the dependency theory with tourism the theory explains that tourism development improves the local economy by providing increased employment opportunities, higher quality of life, improves educational opportunities and reinforcement of the infrastructure. In this research work, the researcher modified the theory by incorporating and omitting some variables. That is, the introduction of tourism in a locality increases the development by increasing employment opportunities, higher per capita income generation and thereby increases in national income, improvement in the infrastructure development, enhances local

industries, increase foreign exchange earnings and finally improves the standard of living of the people.

Thus this study is using the Dependency perspective along with the liberalisation measures of the government, General Agreement on Trade in Services, sustainable development, sustainable tourism and Sustainable Development Goals as theoretical base.

CHAPTER 3

TOURIST PENETRATION RATE AND INDEX OF TOURISM INTENSITY

3.1) INTRODUCTION

Tourist arrivals to the destinations are varied according to the touristic features of the spots. As a result the impacts generated are also varied. So this chapter is devoted to examine the trend in tourist arrival and foreign exchange earnings of tourism. For a better understanding of the region specific impact of tourism, Tourist Penetration Rate and the value of Index of Tourism Intensity are also worked out.

3.2) GROWTH AND TREND OF KERALA TOURISM

The inflow of tourists to a destination is affected mainly by the factors like political stability, climatic conditions and policy of the government and also the cost effective tour packages, branding and modernised marketing technique. Kerala is a tourist paradise and a pilot state in social advancement. So the growth of tourism is analysed by evaluating tourist arrivals to the state and state's total earnings from tourism.

3.2.1) TOURIST ARRIVALS

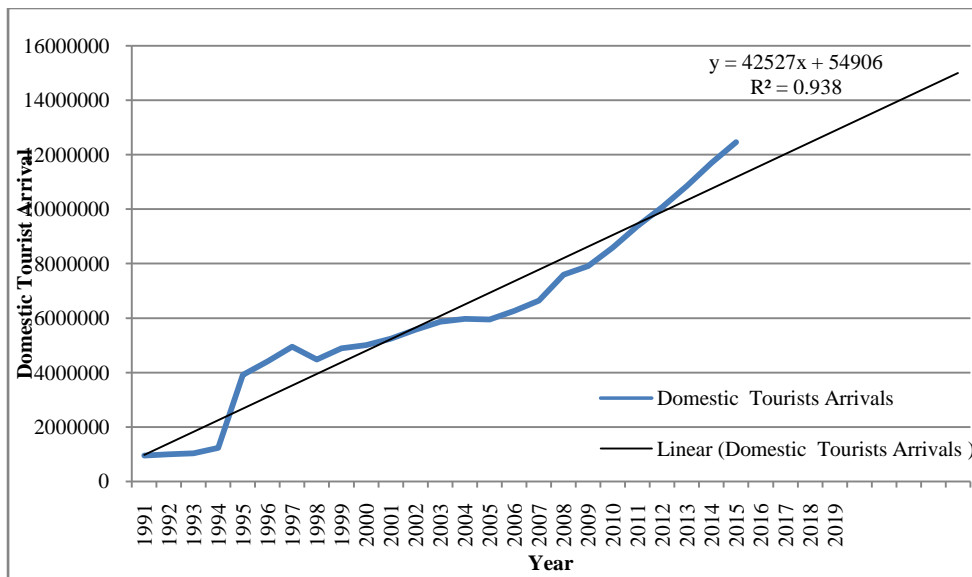
Tourism in Kerala is extremely concentrated in the southern parts of the state. Ernakulam district occupies the first place and Pathanamthitta district on the last place of tourist arrival into the state (table 3.4). 65 per cent of the tourist inflow to Kerala happens during the peak season October to March. Out of the foreign tourists who visited Kerala, 91 per cent was for either leisure and recreation or holiday and business purposes. When it comes to domestic tourists, the percentages are 65 and 35 per cent respectively. But percentage share of business tourists is high for domestic tourists (Kerala Tourism Trends, Trade Survey, 2016). Now Kerala became a potential place for MICE and wedding destination. So the state is offering exclusive packages for it. The government and the tourism sector are encouraging this because of huge inflow as a result of single booking. Another peculiarity of these is that it will not be based on the season. So it helps to earn during the off season also.

The overall development of tourist arrivals into the state is constituted by the domestic and foreign tourist arrivals.

3.2.1.1) Domestic Tourist Arrivals

The arrival of domestic tourists to a destination is mainly constituted by the categories like families, teenagers, senior citizens and household with modest income. So this social diversity gives rise to variety in the tourist activities and destination especially in the accommodation and tourism products. The domestic tourism is characterised by knowledge, proximity of destination and lower cost of transport.

Figure 3.1: Trend in Domestic Tourist Arrivals



Source: Compiled from the tourist statistics from 1991 to 2015

In order to analyse the overall trend of domestic tourist arrivals to Kerala, Linear trend analysis was carried out for the annual total number of domestic tourists from 1991 to 2015. The fitted model is shown in the figure 3.13. From figure 3.1 it is evident that the overall trend in the number of domestic tourist arrival shows an increasing trend throughout the previous years with a rate of 42527 arrivals per year. Hence, there has been an increase in the domestic tourist arrivals, the estimated tourist arrivals in the year 2020 to be 14000000. In order to find the overall growth rate of the domestic tourist arrivals and validity of the equation given by the trend line, domestic tourist arrival is regressed with year.

Table 3.1: Coefficients ^a of Domestic Tourists Arrivals

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | |
|-------|-----------------------------|---------------|---------------------------|------|---------|------|
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 845753224.472 | 45477775.926 | | -18.597 | .000 |
| | Year | 425277.532 | 22704.684 | .969 | 18.731 | .000 |

a. Dependent Variable: Domestic Tourists Arrivals

The result shows that it is significant at one per cent level of significance. The R^2 value 0.938 shows better the model fits the data and shows smaller difference between the dependent variable and independent variable. Here the value of $\beta > 0$ (i.e., $0.969 > 0$). So we can say that

the function $y = 42527x + 54906$ explains that the number of domestic tourists increased per year is 425277.

Kerala domestic tourism experienced a positive growth rate from 1991 to 2015 except in the years 1998 and 2005 with an annual compound growth rate of 11.33 per cent. No other peculiar reason than the general recession in the country's economic situation can be noted for the slowdown in the domestic tourist arrival in the state in 1998 (Johny, 2002). But in 2005 it was caused by the lopsided policy of the Kerala tourism sector. That is the department concentrated on the foreign tourists and fewer representations at domestic travel, abrupt end of road shows made worse by stiff competition from other states and frequent shifting of tourism officials at the helm of affairs made their role to reduce the number of domestic tourists to the state. A stable growth was experienced during the years 2012, 2013 and 2014. But it was decreased to 6.5 per cent in 2015. This decrease was mainly contributed by the liquor policy of UDF government. Closure of all bar hotels below four-star category mainly affected the MICE tourism sector. The MICE tourists shifted their destination from Kerala to neighbouring tourist places like Sri Lanka and Goa, where there is no liquor prohibition.

Table 3.2: Compound Annual Growth Rate of Domestic Tourist Arrival to Kerala (in percentage)

| Period | CAGR Kerala | CAGR India |
|-----------|----------------|---------------|
| 1991-1995 | 43 | 6 |
| 1996-2000 | 4 | 4 |
| 2001-2005 | 3 | 11 |
| 2006-2010 | 8 | 7 |
| 2011-2015 | 7 | 6 |
| 1991-2015 | 11 | 7 |

Source: Compiled from the tourism statistics, Kerala and India tourism statistics from 1991 to 2015

When compared to the national level growth rate of domestic tourist arrival Kerala's growth rate was considerably lower. In 2015 Kerala occupied 18th position with respect to domestic tourist arrival among the Indian states. The state wise domestic tourists arrived in Kerala in the year 2015 is shown in table 3.3:

Table 3.3: State wise Domestic Tourist Arrivals (top 15) in 2015

| Sl. No. | State | Number of Tourists | Percentage Share |
|---------|----------------|--------------------|------------------|
| 1 | Kerala | 9444412 | 75.76 |
| 2 | Tamil Nadu | 999281 | 8.02 |
| 3 | Karnataka | 574526 | 4.61 |
| 4 | Maharashtra | 357231 | 2.87 |
| 5 | Andhra Pradesh | 227821 | 1.83 |
| 6 | Gujarat | 160092 | 1.28 |
| 7 | Delhi | 127425 | 1.02 |
| 8 | Uttar Pradesh | 114028 | 0.91 |
| 9 | Lakshadweep | 93114 | 0.75 |
| 10 | West Bengal | 74558 | 0.6 |
| 11 | Punjab | 38951 | 0.31 |
| 12 | Madhya Pradesh | 55900 | 0.45 |
| 13 | Goa | 25168 | 0.2 |
| 14 | Rajasthan | 51918 | 0.42 |
| 15 | Pondicherry | 9834 | 0.08 |

Source: Kerala Tourist Statistics, 2015

The table 3.3 shows that more than 3/4th of the domestic tourists are from within the state itself. The remaining per cent was constituted by the other states especially the neighbouring states. In the same way, the tourist arrivals among the districts also vary each other. It is clear from the table 3.4. The proportion of domestic tourist arrival was highest in Ernakulam, Thrissur and Thiruvananthapuram. During the previous year also these districts share was highest. Ernakulam is a widely chosen tourist attraction and immense scope for shopping in Kerala. The major tourist attractions in Ernakulam include Jewish Synagogue, Cherai beach, Marine drive, Santhacruz Cathedral basilica, Fort Kochi and Mattancheri Palace. Domestic tourists in Thrissur were mainly contributed by the Guruvayur pilgrims. The share of northern Kerala was negligible.

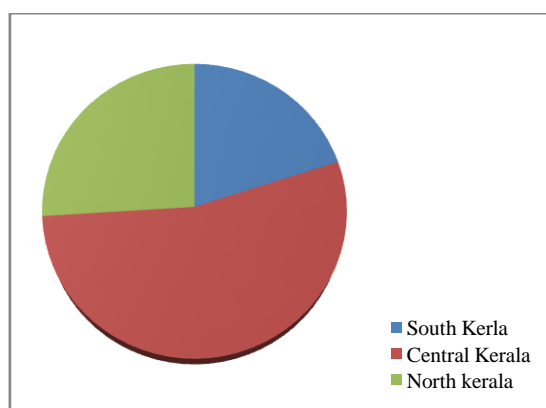
Table 3.4: District wise Domestic Tourist Arrivals and Each Districts Share in 2015

| Districts | Number of Domestic Tourists in 2015 | Share of each Districts |
|--------------------|-------------------------------------|-------------------------|
| Thiruvananthapuram | 1861470 | 14.93 |
| Kollam | 277109 | 2.22 |
| Pathanamthitta | 126132 | 1.01 |
| Alappuzha | 270507 | 2.17 |
| Kottayam | 458101 | 3.67 |
| Idukki | 668537 | 5.36 |
| Ernakulam | 2897894 | 23.28 |
| Thrissur | 2659897 | 21.34 |
| Palakkad | 502244 | 4.03 |
| Malappuram | 470261 | 3.77 |
| Kozhikode | 811538 | 6.53 |
| Wayanad | 607335 | 4.87 |
| Kannur | 613199 | 4.96 |
| Kasaragod | 241347 | 1.79 |
| Total | 12465571 | 100 |

Source: Kerala tourism Statistics, 2015

So we can see a trend of clustering domestic tourists in Central Kerala. It is shown in figure 3.2.

Figure 3.2: Region wise Proportion of Arrivals of Domestic Tourists, 2015

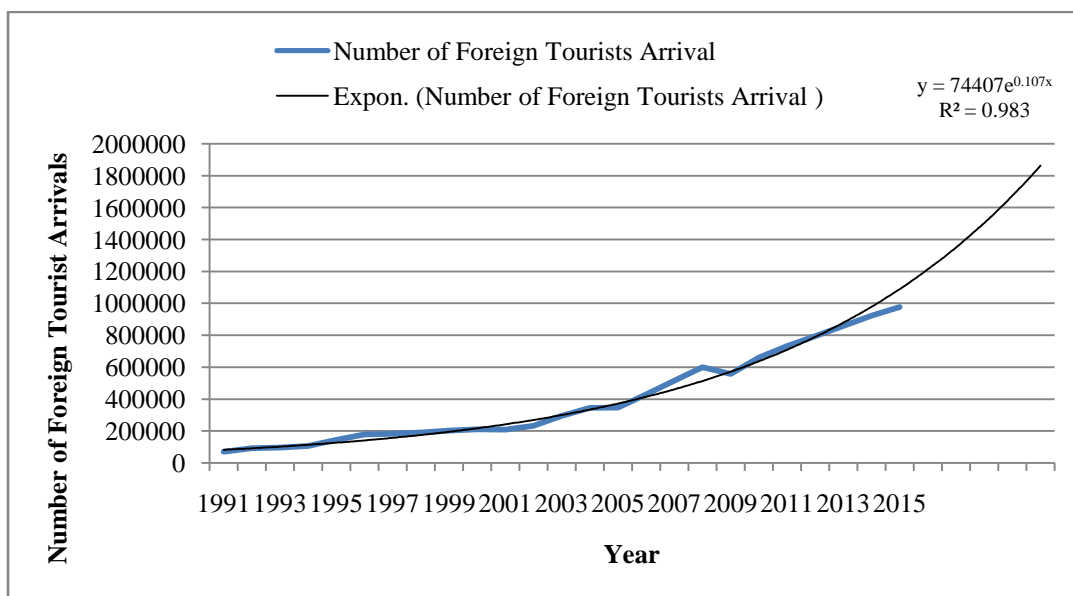


Source: Kerala tourism Statistics, 2015

3.2.1.2) Foreign Tourist Arrivals

In order to analyse the overall trends in foreign tourist arrivals to Kerala, exponential trend analysis was carried out for the annual total number of foreign tourists from 1991 to 2015. The fitted model is shown in figure 3.3. From figure 3.3, it is evident that the overall trend in the number of foreign tourist arrival shows an increasing trend throughout the previous years. Hence, there has been an increase in the foreign tourist arrivals, the estimated tourist arrivals in the year 2020 to be 12000000.

Figure 3.3: Trend in Foreign Tourist Arrivals



Source: Compiled from the tourism statistics from 1991-2015.

In order to find the validity of the growth equation given by the trend line foreign tourist arrival is regressed with year.

Table 3.5: Coefficients^a of Foreign Tourist Arrival

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|---------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1622.011 | 43.400 | | -37.374 | .000 |
| | Ln year | 2150.14 | 5.709 | .992 | 37.665 | .000 |

a. Dependent Variable: Ln foreign tourist arrival

Here the value of $\beta > 0$ (i.e., $0.969 > 0$). So we can say that the function $y = 74407e^{0.107x}$ explains the rate of foreign tourists increased per year. The R^2 value 0.983 shows better the

model fits the data and shows smaller difference between the dependent variable and independent variable.

The state has recorded a consistent growth in the number of foreign tourist arrival during period 1991 to 2015 except in the years 2001 and 2009. These two years experienced negative growth in the national and global level also. Due to the terrorist attack in the U.S and subsequent war in Afghanistan made the year 2001 a bad year for national and international tourism. As a result tourist inflow to the country especially to South India was affected badly. But Kerala was the state which has experienced a less effect. In the same way, foreign tourist inflow into the state was affected by the global economic crisis, terrorist activities and H1N1 influenza pandemic in 2009 (Annual Report, Ministry of Tourism, 2010). In 2005 the growth rate of foreign tourists was very negligible, i.e., only 0.03 per cent. This is because of the Tsunami in December 2004. Kerala received 69309 foreign tourists in 1991. But, all regions of the world aggregately hosted 442.5 million tourists in the same year. Foreign tourist arrival experienced a two digits growth rate since 2002 and up to 2011 except in the year 2009. After that, it shows a deceleration and continued up to 2015. This negative trend was contributed by the factors like stiff competition, higher taxes and excise policy.

Table 3.6: Compound Annual Growth Rate of Foreign Tourist Arrival to Kerala (in percentage)

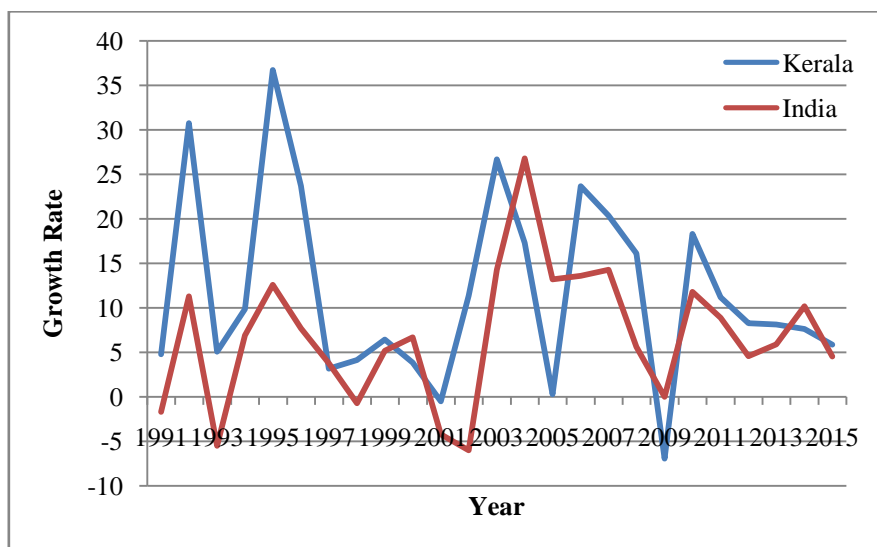
| Period | CAGR |
|---------------|-------------|
| 1991-1995 | 20 |
| 1996-2000 | 4 |
| 2001-2005 | 13 |
| 2006-2010 | 11 |
| 2011-2015 | 7 |
| 1991-2015 | 12 |

Source: Compiled from the tourism statistics from 1991 to 2015

The growth rate of foreign tourist arrival in Kerala is higher when compared to the national level. But in 2004 and 2014, the national growth rate became higher than state's growth rate. Various measures from the part of the government including 'Incredible India' campaign in overseas led to the steep growth of foreign tourist arrivals to the country in 2004. In 2014, nearly 20 per cent growth rate in the foreign tourist arrivals in the neighbouring place Sri Lanka made Kerala lose its dominance over the national level. As a result in 2004 and 2014

Kerala's growth rate became lesser than the national level. Thus the foreign tourist arrivals to Kerala show a compound annual growth rate of 11.66 from 1991 to 2015. Figure 3.4 compares the national and state level growth rate.

Figure 3.4: Growth rate of Foreign Tourist Arrivals to Kerala and India



Source: Compiled from the tourism statistics

In 2015 Kerala accomplished 7th position among the top ten states which receives foreign tourists by receiving 12.2 per cent of the total foreign tourist arrived in the country. Our neighbouring state Tamil Nadu ranked first by accounting 21.9 per cent of the total foreign tourist arrival. Table 3.7 represents the share of major international source markets of Kerala tourism. Kerala receives foreign tourists from different countries especially from UK, France, USA, Germany and Saudi Arabia. They together contribute nearly 50 per cent of the total foreign tourist arrivals. Among the countries the highest contribution was made by U.K and the lowest contribution by Switzerland.

Table 3.7: Tourist inflow to Kerala from top ten countries in 2015

| Sl. No. | Country | Total | Percentage Share |
|---------|--------------|--------|------------------|
| 1 | U.K | 166792 | 17.06 |
| 2 | France | 91598 | 9.37 |
| 3 | U.S.A | 75773 | 7.75 |
| 4 | Germany | 76791 | 7.86 |
| 5 | Saudi Arabia | 51149 | 5.23 |

| | | | |
|-------|-------------|--------|-------|
| 6 | Russia | 32725 | 3.35 |
| 7 | Australia | 35244 | 3.61 |
| 8 | Canada | 26216 | 2.68 |
| 9 | Malaysia | 28047 | 2.87 |
| 10 | Switzerland | 26115 | 2.67 |
| 11 | Others | 367029 | 37.55 |
| Total | | 977479 | 100 |

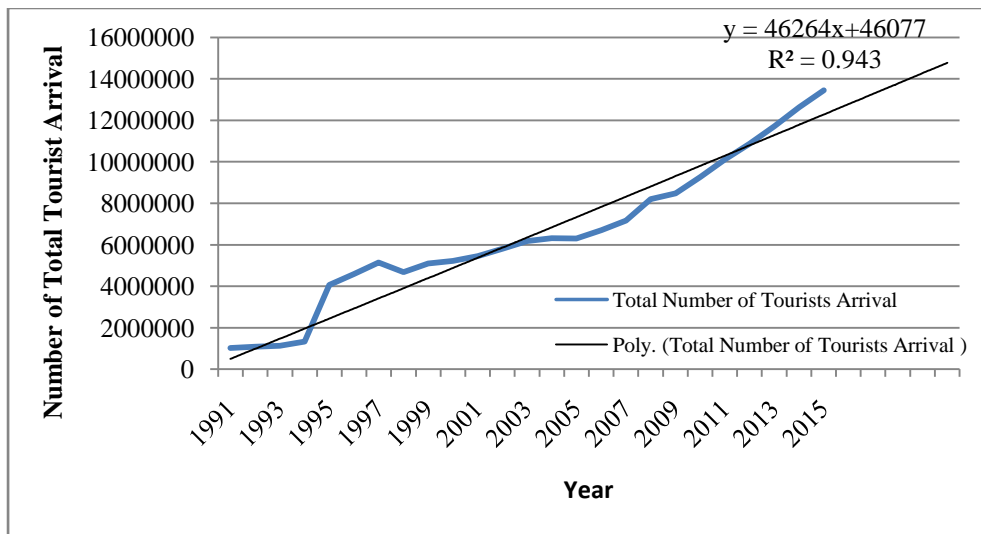
Source: Kerala tourism Statistics, 2015

Ernakulam attracted the highest number of foreign tourist by accounting 39.2 per cent of the total foreign tourists arrived in the state. The other toppers are Thiruvananthapuram (31.7 per cent), Idukki (8.6 per cent), Alappuzha (6.5per cent) and Kottayam (5.1 per cent) (Kerala tourism statistics, 2016). While considering the regions we can see that central Kerala receives about 54 per cent of the total foreign tourists arrived. During the month of February, Kerala tourism received a maximum number of foreign tourists (around 13.6 per cent) and the lowest was in June. So in order to make Kerala an all-time destination the Department of Tourism has taken many measures like monsoon tourism, MICE tourism and customised packages for off-season months.

3.2.1.3) Total Tourist Arrivals

Together we can see an increasing number of tourist arrivals over the period to the state. In order to analyse the overall trends in total tourist arrivals to Kerala, polynomial trend analysis was carried out for the annual total number of foreign tourists from 1991 to 2015. The fitted model is shown in the figure 3.5. From the figure 3.5 it is evident that the overall trend in the number of total tourist arrival shows an increasing trend throughout.

Figure 3.5: Trend in Total Tourist Arrivals



Source: Compiled from the tourist statistics

Table 3.8: Coefficients ^a of Total Tourist Arrival

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|------------|-----------------------------|--------------|---------------------------|---------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 920204960.678 | 47489230.355 | | -19.377 | .000 |
| | Year | 462646.098 | 23708.898 | .971 | 19.514 | .000 |

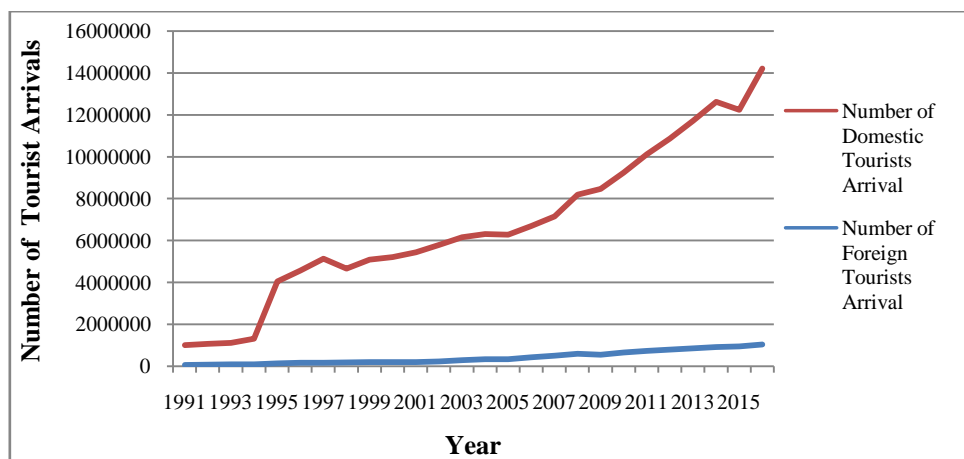
a. Dependent Variable: Total of Tourist Arrival

Here the value of $\beta > 0$, i.e., $0.971 > 0$. So we can say that the function $y = 46264x + 46077$ explains that the total number of tourists increased per year is 462646.

There is a remarkable increase in the number of tourist arrivals to the country. The total number of tourists arrived in the year 1991 was 1018300 including 69309 foreign tourists and 948991 domestic tourists. It increased to 14210954 in 2015 constituted by 1038419 foreign and 13172535 domestic tourists. In between these years, we can see fluctuations in the number of arrivals. The percentage change in the number of tourists arrived was lower when compared to the previous years in 1993, 1998, 2000, 2004, 2005, 2009 and 2015. However in the years 1998 and 2005 we can see a negative growth also. There was a surge in growth rate in the year 1995 which was mainly contributed by the domestic tourists. But in the years 1998 and 2005 we can see negative growth also. When we compare tourist arrivals of the state with the national level we can see that foreign tourist arrivals to the nation are highly elastic and depend on the incidents in the world along with the country. But internal tourism

showed a higher spirit and flexibility. The increase in the domestic tourism was caused by the increase in the income of the middle class people of the country and their tendency to spend more on holidays abroad or at home. On the other hand, the increment in the foreign tourist arrival was caused by the booming of information technology industry in the country and the advertising campaign like “Incredible India” by the government. Indian tourism industry could not maintain the growth rate throughout the nineties as it experienced during the early nineties (it was above the world average). But the growth since 2000 has been impressive. In 2003 the foreign tourist arrival into the country has recorded a growth rate (17.3 per cent) which has been the highest in last 10 years. The figure 3.6 shows the trend of tourist arrivals to the state from 1991 to 2015.

Figure 3.6: Total Tourist Arrivals to Kerala from 1991 to 2015



Source: Compiled from the tourism statistics from 1991 to 2015

The pattern of movement of domestic tourists and total tourists are same. That is total tourists move in tune with the domestic tourists. So in order to test this relationship Karl Pearson’s Coefficient of Correlation is conducted. The value of correlation coefficient is 0.999 shows that there is a strong positive correlation between domestic tourist arrivals and total tourists arrivals. The compound annual growth rate of total tourist arrived in Kerala is 11.35. It is shown in the table 3.9:

Table 3.9: Compound Annual Growth Rate of Total Tourists from 1991 to 2015 (in percentage)

| Period | CAGR |
|-----------|------|
| 1991-1995 | 41 |
| 1996-2000 | 3 |
| 2001-2005 | 4 |

| | |
|-----------|-------|
| 2006-2010 | 8 |
| 2011-2015 | 7 |
| 1991-2015 | 11.66 |

Source: Compiled from the tourism statistics from 1991 to 2015

In the year 2015, we can see an increase of tourists arrived at the state as 6.6 per cent because of the several new attractions like sea plane, spice route, hop-on-hop-off boats in Cochin and project Muziris. Seaplane project is the connectivity by air across the state. It includes the three airports of Trivandrum, Cochin and Calicut and the prime destinations like Ashtamudi, Punnamada, Kumarakom, Bolgatty and Bekel. Muziris project offers the historical and cultural significance of the legendary port of Muziris. The hop-on-hop-off boats and water taxis are the first of this kind in the country and are available in the backwaters of Cochin and in the Spice Route project of Muziris. Spice Route revival project links the south western coast of India up to Europe and among other things there are museums and spice gardens which tourists can visit. And the state also conducted several cultural activities and festivals like Nishagandhi festival of dance to attract tourists. When we analyse the trend pattern of the tourists arrived in the state we can see that above 90 per cent of the tourists arrived at the state was contributed by domestic tourists itself. So the trend of both the total and domestic tourists arrived in the state are same. But another fact is that the contribution of foreign tourist shows an increasing trend over the years. It is shown in the table 3.10:

Table 3.10: Share of Domestic and Foreign Tourists in the Total Tourists Arrived in the State

| Year | Domestic Tourists | | | Foreign Tourists | | | Share Growth Percentage of Total Tourists |
|------|-------------------|-------------|--------------|------------------|-------------|--------------|---|
| | Share | Growth Rate | Share Growth | Share | Growth Rate | Share Growth | |
| 1991 | 93.2 | 9.52 | 8.87 | 6.8 | 4.79 | 0.33 | 9.20 |
| 1992 | 91.6 | 4.76 | 4.36 | 8.4 | 30.77 | 2.58 | 6.94 |
| 1993 | 91.5 | 3.33 | 3.05 | 8.5 | 5.05 | 0.43 | 3.48 |
| 1994 | 92.1 | 19.42 | 17.89 | 7.9 | 9.83 | 0.78 | 18.66 |
| 1995 | 96.5 | 219.20 | 211.52 | 3.5 | 36.73 | 1.29 | 212.81 |
| 1996 | 96.1 | 12.45 | 11.96 | 3.9 | 23.70 | 0.92 | 12.88 |
| 1997 | 96.4 | 12.50 | 12.05 | 3.6 | 3.15 | 0.11 | 12.16 |
| 1998 | 95.9 | -9.52 | -9.13 | 4.1 | 4.12 | 0.17 | -8.96 |
| 1999 | 96.0 | 9.07 | 8.71 | 4.0 | 6.44 | 0.26 | 8.97 |

| | | | | | | | |
|-------|------|-------|--------|-----|-------|-------|--------|
| 2000 | 96.0 | 2.56 | 2.45 | 4.0 | 3.84 | 0.15 | 2.61 |
| 2001 | 96.2 | 4.52 | 4.35 | 3.8 | -0.53 | -0.02 | 4.33 |
| 2002 | 96.0 | 6.27 | 6.02 | 4.0 | 11.37 | 0.45 | 6.47 |
| 2003 | 95.2 | 5.44 | 5.18 | 4.8 | 26.68 | 1.28 | 6.46 |
| 2004 | 94.5 | 1.72 | 1.62 | 5.5 | 17.28 | 0.95 | 2.58 |
| 2005 | 94.5 | -0.43 | -0.41 | 5.5 | 0.28 | 0.02 | -0.39 |
| 2006 | 93.6 | 5.47 | 5.12 | 6.4 | 23.68 | 1.52 | 6.64 |
| 2007 | 92.8 | 5.92 | 5.49 | 7.2 | 20.37 | 1.47 | 6.96 |
| 2008 | 92.7 | 14.28 | 13.23 | 7.3 | 16.11 | 1.18 | 14.41 |
| 2009 | 93.4 | 4.25 | 3.97 | 6.6 | -6.96 | -0.46 | 3.51 |
| 2010 | 92.9 | 8.61 | 8.00 | 7.1 | 18.31 | 1.30 | 9.30 |
| 2011 | 92.8 | 9.15 | 8.49 | 7.2 | 11.18 | 0.81 | 9.30 |
| 2012 | 92.7 | 7.41 | 6.87 | 7.3 | 8.28 | 0.60 | 7.48 |
| 2013 | 92.7 | 7.75 | 7.18 | 7.3 | 8.12 | 0.59 | 7.78 |
| 2014 | 92.7 | 7.71 | 7.15 | 7.3 | 7.60 | 0.55 | 7.71 |
| 2015 | 92.7 | 6.59 | 6.10 | 7.3 | 5.86 | 0.43 | 6.53 |
| Total | | | 360.11 | | | 17.57 | 377.68 |

Source: Compiled from tourist statistics

From the table 3.10 it can be inferred that the trend of total tourist was determined by the domestic tourists, but the share of foreign tourists shows an increasing pattern. That is over the period growth trend is higher to foreign tourists even though the contribution of domestic tourist is high. Tourist arrivals per Share Growth Percentage represent the annualised rate of net arrivals per share growth over a period of one year. That is, this rate gives a good picture of the rate at which tourist arrivals grown. From this share growth rate we can calculate the relative share of both domestic and foreign tourists. Here the relative share of domestic tourists is calculated as 95 per cent and foreign tourist is five per cent.

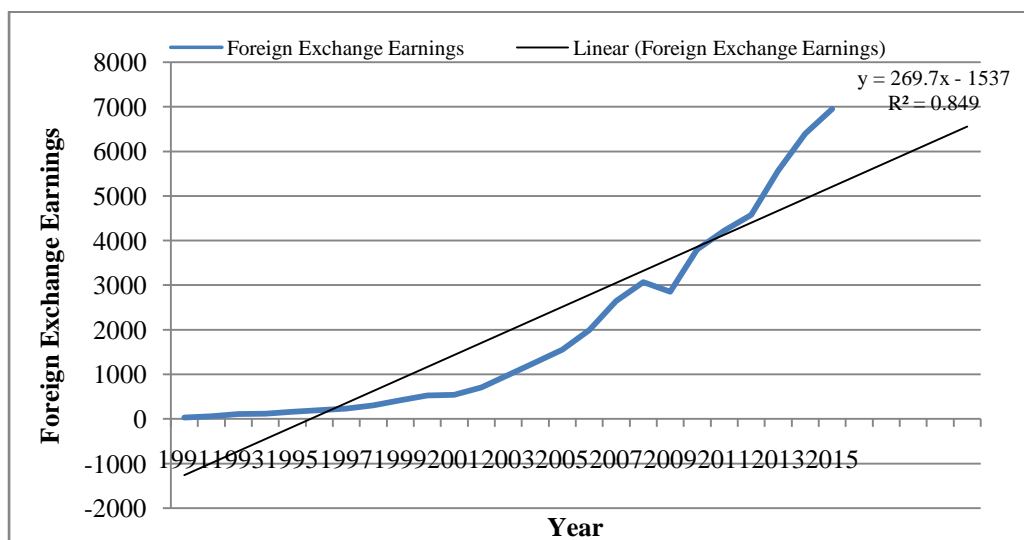
3.2.2) EARNINGS FROM TOURISM

3.2.2.1) Foreign Exchange Earnings

The UNWTO estimates show that international tourism receipts are increasing in the last years. But negative growth rates happened in the years 2001 and 2009. In these two years the tourist arrivals are also negative because of international problems such as terrorist attacks and international financial crisis. People are employed in the tourism related jobs like travel and transportation, accommodation, promotion, entertainment, visitor attractions and tourist

retailing. It occupies 8.78 per cent of the total employment of India which accounted for 20 million people. The regional shares of the receipts in world total differ because of the changes in the number of tourist arrivals. Since 2005 Asia Pacific region overtook America by reasonably high receipts per arrival and holds the second position. Tourism contributed to seven per cent of the global capital expenditure and 12 per cent of the world's gross product in 1994. In 2003 The Middle East was the region with the highest average annual growth rate that is 10.6 per cent and the African region recorded a growth rate more than the global growth rate. Some international happenings had contributed to the crisis in international especially, European tourism. Most important among them are the outbreak of a war in Iraq, the SARS epidemic, terrorist attacks on New York and Bombings in Bali, Kenya, Moscow and Riyadh. All these directly affected the tourist arrivals and thereby tourism receipts. But after 2010 tourist receipts recorded a fastest growth rate. In 2013 Asia and Pacific region became the fastest growing region and Europe seized the biggest share. In order to analyse the overall trend of foreign tourist receipts of Kerala, linear trend analysis was carried out. The fitted model is shown in the figure 3.7. From the figure 3.7 it is evident that the overall trend is an increasing trend throughout the previous years with an r^2 value of 0.849.

Figure 3.7: Trend in Foreign Exchange Earnings



Source: Compiled from the tourist statistics

In order to find the validity of the equation given by the trend line foreign exchange earnings is regressed with year.

Table 3.11: Coefficients ^a of Foreign Exchange Earnings

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------------|-----------------------------|------------|---------------------------|---------|------|
| | B | Std. Error | Beta | | |
| (Constant) | -3250.282 | 107.964 | | -30.105 | .000 |
| Year | 428.416 | 14.201 | .988 | 30.167 | .000 |

a. Dependent Variable: foreign exchange earnings

Here the value of $\beta > 0$ (i.e., $0.988 > 0$). So we can say that the function $y = 269.7x - 1537$ explains that the foreign exchange earnings increased per year is 428.416 crore. The state government have initiated a lot of measures to attract more tourists and thereby earn more a tourism receipts. That is Kerala's foreign exchange earnings from tourism move with the number of foreign tourist arrivals to the state. Table 3.12 shows the state's earnings from foreign exchange from 1991-2015.

Table 3.12: Foreign Exchange Earnings from Tourism (in Crore)

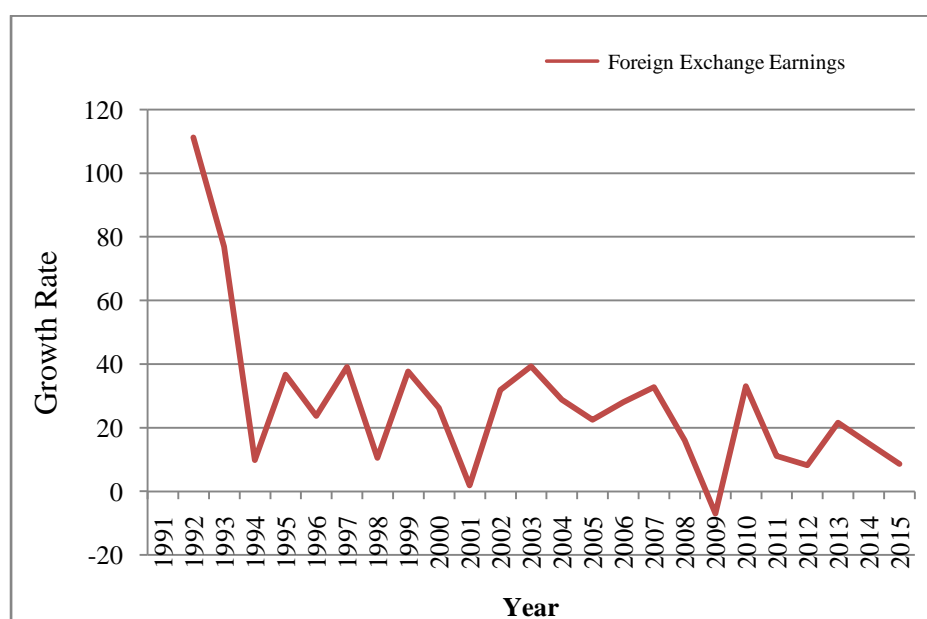
| Year | Foreign Exchange Earnings | Annual Growth Rate |
|------|---------------------------|--------------------|
| 1991 | 28.28 | - |
| 1992 | 59.75 | 111.28 |
| 1993 | 105.72 | 76.94 |
| 1994 | 116.11 | 9.83 |
| 1995 | 158.76 | 36.73 |
| 1996 | 196.38 | 23.70 |
| 1997 | 227.33 | 39.12 |
| 1998 | 302.08 | 10.57 |
| 1999 | 416.07 | 37.74 |
| 2000 | 525.30 | 26.25 |
| 2001 | 535.00 | 1.85 |
| 2002 | 705.67 | 31.90 |
| 2003 | 983.37 | 39.35 |
| 2004 | 1266.77 | 28.82 |
| 2005 | 1552.31 | 22.54 |
| 2006 | 1988.40 | 28.09 |

| | | |
|------|---------|-------|
| 2007 | 2640.94 | 32.82 |
| 2008 | 3066.52 | 16.11 |
| 2009 | 2853.16 | -6.96 |
| 2010 | 3797.37 | 33.09 |
| 2011 | 4221.99 | 11.18 |
| 2012 | 4571.69 | 8.28 |
| 2013 | 5560.77 | 21.63 |
| 2014 | 6398.93 | 15.07 |
| 2015 | 6949.88 | 8.61 |

Source: Department of Tourism, Government of Kerala

From the table 3.12 we can see an increasing trend of tourism earnings over the years except in the year 2009. From 1991 to 2000 we can see an increase of 25 times in the international tourism receipts of the state.

Figure 3.8: Trend of Growth rate of Foreign Exchange Earnings from 1991 to 2015



Source: Compiled from the tourism statistics

The tourism receipts of the state show an increasing trend except in the year 2009. This is because of the decrease in the number of foreign tourists arrived in the state as a result of the international financial crisis.

**Table 3.13: Compound Annual Growth Rate of Foreign Exchange Earnings to Kerala
(in percentage)**

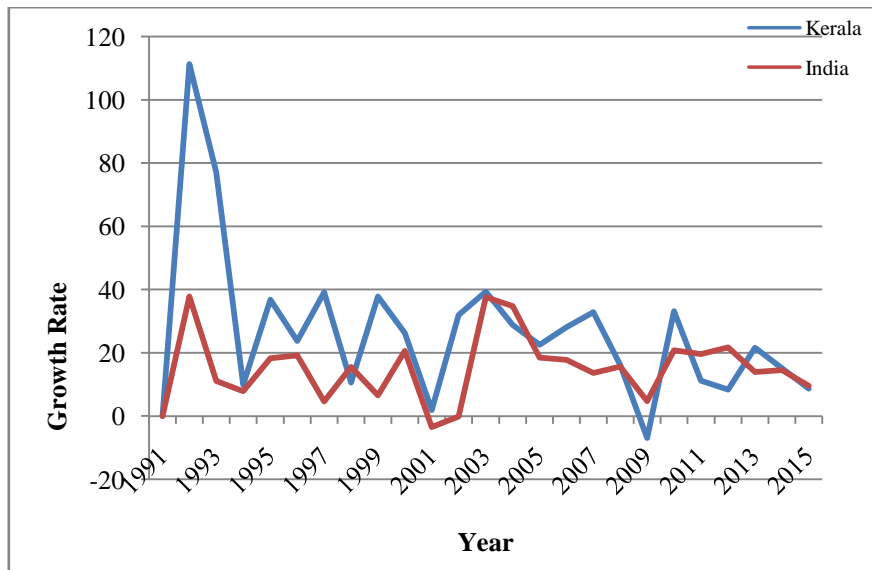
| Period | CAGR |
|---------------|-------------|
| 1991-1995 | 54 |
| 1996-2000 | 28 |
| 2001-2005 | 31 |
| 2006-2010 | 18 |
| 2011-2015 | 13 |
| 1991-2015 | 26 |

Source: Compiled from the tourism statistics from 1991 to 2015

It is known that the foreign exchange earnings of the state are solely depended on the foreign tourist arrivals to the state. So in order to know the influence the value of correlation coefficient between the number of foreign tourist arrival and foreign exchange earnings is calculated. The calculated value is 0.99. This shows that there is a strong positive relationship between foreign tourist arrivals and foreign exchange earnings of the state.

When compared to the foreign exchange earnings at the national level we can see it is far higher that grew three times during this period. Another key point to be noted is the substantive jump in average international tourist receipt for Kerala. For Kerala, it has increased from about 4058 per international tourist in 1991 to 33332 in 2003. The realisations are significantly higher when compared to the all India average of 25494 in 2002. Given the tourism products on offer in Kerala, it is a high potential to significantly increase its average international tourist realisations even further (Kerala's Approach to Tourism Development: A Case Study, 2005). From 2001 to 2010 we can see a decadal growth rate of 60.97 per cent in foreign exchange earnings of the state. On the other hand, the nation's growth was lower and it is 33.02 per cent. When we take the growth rate from 2001 to 2015 also we can see a higher growth rate in the case of the state. That is state's growth rate is 79.93 per cent and the nation's is 53.09. The Compound Annual Growth Rate of Kerala's foreign exchange earnings from tourism from 1991 to 2015 are 25.78 while it is 15.24 in the case of the nation. Thus from all

Figure 3.9: Comparison of Growth Rate of Foreign Tourist Receipts of Kerala and India



Source: Compiled from the tourism statistics

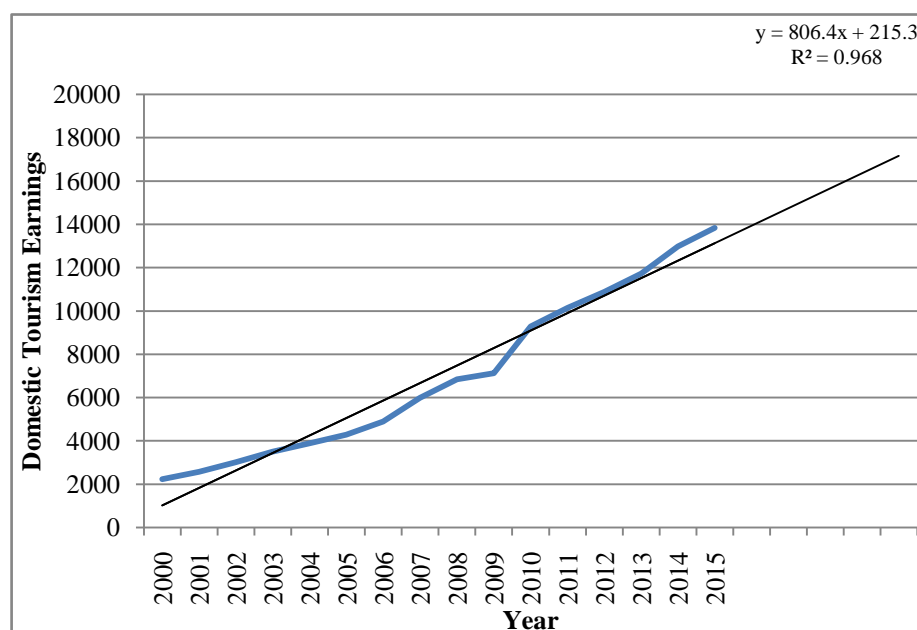
these we can bring to a close that the foreign exchange earnings of the state were higher when compared to the national level in the case of growth rate. This is expressed in the figure 3.9. When compared to the national growth rate of tourist earnings Kerala shows dominance over the years except in the years 2004, 2011 and 2012. But in 2015 both the nation and state shows a decreasing trend and almost converges.

In Kerala, the foreign exchange earnings show an increasing tendency along with an increase in the number of foreign tourists' arrivals. So in order to test the relationship between foreign tourist arrivals and foreign tourist earnings Karl Pearson's Coefficient of Correlation was calculated. The resulting value $r = 0.99$ shows a higher and positive correlation between foreign exchange earnings and foreign tourist arrivals.

3.2.2.2) Domestic Tourism Earnings

Tourism sector earns revenue from domestic tourists also. The revenue earned from the domestic tourists is positively related to the number of domestic tourists. So a higher

FIGURE 3.10: TREND ANALYSIS OF DOMESTIC TOURIST EARNINGS



Source: Compiled from the tourism statistics

proportion of domestic tourists led to a higher proportion of tourism revenue. In order to analyse the overall trend of domestic tourism earnings of Kerala, linear trend analysis was carried out for the domestic tourism earnings from 2000 to 2015. The fitted model is shown in the figure 3.10. From the figure 3.10 it is evident that the overall trend in the domestic tourism earnings shows an increasing trend throughout the years with an r^2 value of 0.968.

In order to find the validity of the equation given by the trend line domestic tourism earnings is regressed with year.

Table 3.14: Coefficients^a of Domestic Tourism Revenue

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| (Constant) | -1611820.0427 | 77857.987 | | -20.70 | .000 |
| Year | 806.42 | 38.78 | .984 | 20.793 | .000 |

a. Dependent Variable: Domestic tourism revenue

Here the value of $\beta > 0$ (i.e., $0.984 > 0$). So we can say that the function $y = y = 806.4x + 215.3$ explains that the domestic tourism revenue increased per year is 806.42 crore. In the case of domestic tourism earnings also we can see a relationship with the tourist

arrivals. That is the domestic tourist earnings of the state are depended on the domestic tourist arrivals to the state. So in order to know the influence of the value of correlation coefficient between the number of domestic tourist arrival and domestic tourism earnings is calculated. The calculated value 0.9925 shows that there is a strong positive relationship between the domestic tourist earnings of the state and domestic tourist arrivals to the state.

Table 3.15: Compound Annual Growth Rate of Domestic Tourism of Kerala (in percentage)

| Period | CAGR |
|-----------|------|
| 2001-2005 | 14 |
| 2006-2010 | 17 |
| 2011-2015 | 8 |
| 2001-2015 | 13 |

Source: Compiled from the tourism statistics from 1991 to 2015

The compound annual growth rate of domestic tourism earning is 13 and total revenue generated from tourism is 13.48:

Table 3.16: Domestic Tourism Earnings and Total Revenue Generated from Tourism from 2000 to 2015

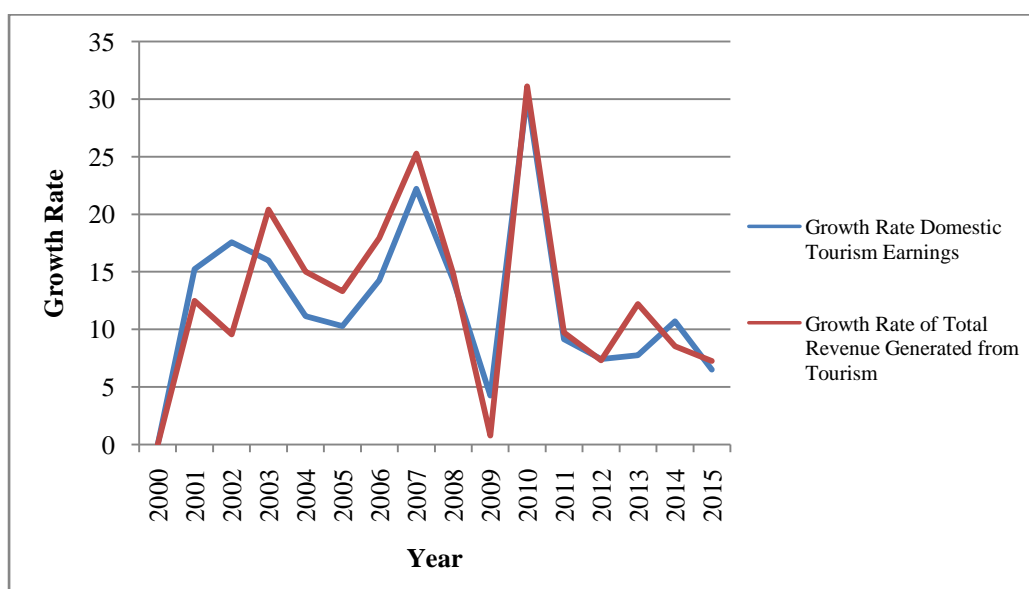
| Year | Earnings from Domestic Tourists (in Crore) | Annual Growth Rate | Total Revenue from Tourism (Direct and Indirect) (in Crore) | Annual Growth Rate |
|------|--|--------------------|---|--------------------|
| 2000 | 2222.36 | - | 4000 | - |
| 2001 | 2561.16 | 15.24 | 4500.00 | 12.5 |
| 2002 | 3011.31 | 17.58 | 4931.00 | 9.58 |
| 2003 | 3492.68 | 15.99 | 5938.00 | 20.42 |
| 2004 | 3881.92 | 11.14 | 6829.00 | 15.01 |
| 2005 | 4281.42 | 10.29 | 7738.00 | 13.31 |
| 2006 | 4891.94 | 14.26 | 9126.00 | 17.94 |
| 2007 | 5978.65 | 22.21 | 11433.00 | 25.28 |
| 2008 | 6832.13 | 14.28 | 13130.00 | 14.84 |
| 2009 | 7122.18 | 4.25 | 13231.00 | 0.77 |
| 2010 | 9282.68 | 30.33 | 17348.00 | 31.12 |
| 2011 | 10131.97 | 9.15 | 19037.00 | 9.74 |

| | | | | |
|------|----------|-------|----------|-------|
| 2012 | 10883.00 | 7.41 | 20430.00 | 7.32 |
| 2013 | 11726.44 | 7.75 | 22926.55 | 12.22 |
| 2014 | 12981.91 | 10.71 | 24885.44 | 8.54 |
| 2015 | 13836.78 | 6.51 | 26689.63 | 7.25 |

Source: Department of Tourism, Government of Kerala

Domestic tourism earning along with the total revenue generated from the tourism is shown in the table 3.16. Tourist receipts from the domestic tourists and total revenue from tourism also shows a positive trend during the years. In 2015 tourist revenue accounts for one tenth of the state revenue (Business line, April 16, 2017). It is shown in the figure 3.11:

Figure 3.11: Trend of Domestic Earnings and Total Revenue from 2000 to 2015



Source: Compiled from the tourism statistics

In order to check the relationship between total tourist arrivals and their contribution to the GSDP of the state total tourist arrival is regressed with total tourism earnings. The result is shown in the table 3.17.

Table 3.17: Total Tourism Earnings and Total Tourist Arrivals

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|----|-------------|----------|------|
| Regression | 23.081 | 1 | 23.081 | 1261.165 | .000 |
| Residual | .421 | 23 | .018 | | |
| Total | 23.501 | 24 | | | |

Source: Compiled by the researcher

Here the p value is less than the level of significance (0.005). so we can clearly state that there is a positive contribution to the GSDP of the state by tourism.

3.3) TOURIST PENETRATION RATE AND INDEX OF TOURISM INTENSITY

Tourism creates different types of impact upon the regional economies where it is located. The impact created by tourism is also different in different regional economies. So it is indispensable to study these impacts especially the economic impact and ecological impact. The growth and trend of tourist arrival and tourism earnings illustrates the nature and contribution of tourism in Kerala in general. But it is varied according to the region. This spatial difference in the impact of tourism is measured by using the Index of Tourism Intensity and Tourist Penetration rate.

3.3.1) Tourist Penetration Rate

This rate quantifies the average number of Tourist per thousand inhabitants in the country at any one point in time (day) (Caribbean Tourism Organization). That is the tourist penetration rate gives the number of tourists for every 1000 inhabitants at any point of time. So this is an indicator of crowding and helps to measure the carrying capacity of a tourist destination.

$$(Number\ of\ Visitors \times Average\ length\ of\ Stay)$$

$$Tourist\ Penetration\ Rate = \frac{\text{-----}}{(Midyear\ Population \times 365)} \times 1000$$

Tourist penetration rate of Kerala is calculated from 2011 onwards because of the lack of availability of data for the previous periods. Here the penetration rate for foreign and domestic tourists is calculated separately because the average length of stay of foreign and domestics are varied. In Kerala the average length of stay of foreign tourists is 16 days since 2011. In the same way the average length of stay of domestic tourists are six days since 2011.

Table 3.18: District wise Tourist Penetration Rate of Kerala from 2011 to 2015

| Districts | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | |
|--------------------|------|-------|------|-------|------|-------|------|-------|------|-------|
| | F | D | F | D | F | D | F | D | F | D |
| Thiruvananthapuram | 2.98 | 6.41 | 3.21 | 6.99 | 3.55 | 7.71 | 3.82 | 8.44 | 4.08 | 9.18 |
| Kollam | 0.15 | 1.31 | 0.17 | 1.38 | 0.19 | 1.47 | 0.21 | 1.60 | 0.23 | 1.72 |
| Pathanamthitta | 0.04 | 1.22 | 0.05 | 1.34 | 0.05 | 1.43 | 0.05 | 1.56 | 0.06 | 1.75 |
| Alappuzha | 0.95 | 1.54 | 1.04 | 1.63 | 1.14 | 1.74 | 1.24 | 1.89 | 1.31 | 2.08 |
| Kottayam | 0.83 | 2.79 | 0.91 | 2.95 | 0.91 | 3.18 | 0.98 | 3.43 | 1.11 | 3.80 |
| Idukki | 2.21 | 7.53 | 2.48 | 8.26 | 2.74 | 8.75 | 3.10 | 9.50 | 3.35 | 10.01 |
| Ernakulam | 4.11 | 10.84 | 4.38 | 11.68 | 4.64 | 12.58 | 4.89 | 13.38 | 4.99 | 14.15 |

| | | | | | | | | | | |
|------------|------|-------|------|-------|------|-------|------|-------|------|-------|
| Thrissur | 0.07 | 10.84 | 0.08 | 11.58 | 0.09 | 12.31 | 0.10 | 13.18 | 0.12 | 13.70 |
| Palakkad | 0.02 | 2.24 | 0.02 | 2.34 | 0.03 | 2.53 | 0.03 | 2.72 | 0.03 | 2.85 |
| Malappuram | 0.20 | 1.47 | 0.20 | 1.53 | 0.21 | 1.63 | 0.22 | 1.73 | 0.24 | 1.78 |
| Kozhikode | 0.14 | 3.46 | 0.15 | 3.62 | 0.15 | 3.82 | 0.16 | 4.01 | 0.17 | 4.195 |
| Wayanad | 0.41 | 9.06 | 0.51 | 0.10 | 0.58 | 10.33 | 0.62 | 11.17 | 0.65 | 11.96 |
| Kannur | 0.10 | 3.17 | 0.12 | 3.35 | 0.12 | 3.57 | 0.13 | 3.75 | 0.15 | 3.91 |
| Kasaragod | 0.07 | 2.24 | 0.07 | 2.33 | 0.08 | 2.43 | 0.08 | 2.58 | 0.10 | 2.93 |
| State | 0.96 | 4.6 | 1.03 | 4.93 | 1.11 | 5.28 | 1.19 | 5.67 | 1.26 | 6.01 |

Source: Compiled by the Researcher

The table 3.18 indicates that the number of tourists per thousand Keralites is on increasing trend. In 2015 there are 6.01 domestic tourists and 1.26 foreign tourists per thousand local people in Kerala. In the case of sample destinations we can see domestic tourist penetration is highest in Idukki, where it is 10.01 and lowest in Kottayam where it is 3.80. In the case of foreign tourists penetration rate Thiruvananthapuram shows the highest rate of 4.08 and Kottayam shows the lowest (1.11). Thus the differences in the tourist penetration rate are affected by the institutional set ups in the state. The important activities of these institutional set ups are catalysing private investment, strengthening promotional activities, marketing activities and training manpower resources. That is different agencies under the state government in Kerala, plays a crucial role in coordinating and supplementing efforts of the state government to enhance the tourist arrivals to the state. The major institutional set ups for the tourism promotion in Kerala is Department of Tourism

3.3.1.1) Department of Tourism in Kerala

In Kerala, the Department of Tourism is functioning under the Ministry of Tourism. This department is considered as an independent department and field agency. It is the responsibility of the department to perform as a facilitator between various agencies involved in the development of tourism, coordinate different activities and take care of different aspects related to tourism in Kerala. The State Guest Department of the former Travancore Department was renamed as Tourist Department and Department of Tourism in 1989. It is the first tourism department in the country which registered under the Government of India at Registrar of Trade Marks. Today the department has the functions of hospitality wing of the State Government, estate office duty and tourism development. Hospitality wing of the State Government provides accommodation and transport to state guests, caters to the needs of the VVIPs and VIPs of the state, maintains 24 guest houses and two Kerala houses of the state and owns and operates a fleet of cars for providing transport to the guest of the state. Estate

office duty of the Department of Tourism is responsible for providing furnished residential bungalows and transportation to Ministers, Leader of opposition, Chief Whip and Speaker. The functions of tourism department includes marketing and promotion, planning and development, development and support to other agencies and undertakes various measures such as media advertisements, printing and distribution of multicolour brochures, hospitality to travel writers, conducting festivals, participating in national and international fairs and festivals for marketing and promoting tourism.

Department of Tourism is now responsible for identifying and developing new destinations and various schemes for the development of tourism in the state (Department of Tourism, Kerala, 1999 and 2000). The department has offices in all the districts of the state. By providing concessions and incentives government is encouraging private investors in the tourism sector. For the face to face interaction with those who wish to invest in this sector, a Tourism Guidance Cell was opened in June 1998. The key objectives of the department are framing policy (for promoting fair and open competition, drawing international support to augment expertise in developing Kerala tourism, strengthening institutional capacity to implement and enforce policies and supporting a transparent and inclusive policy process), infrastructure (focusing on the core and linkage infrastructure and investing in strategically focused capacity to support development priorities), tourism services (including increasing technical skills, building a critical mass of tourism workers, strengthening community entrepreneurial skills and augmenting managerial capacity to build a service sector sensitive to tourists and tourism), marketing (providing demand-driven information, collaborating on international and regional platforms to create a highly visible platform for the state, building a brand, competing at a global level, emphasizing quality assurances) and product development (by creating new products (Kerala Tourism Department has developed more than 14 different products), creating enabling investment environment, promoting partnerships to ensure the flow of funds into the tourism sector, leveraging core strengths, focusing on sustainable development to offer products of international quality, building USP and stimulating demand.

Department undertakes hospitality to travel writers, media advertisement, conducting festivals, printing and distribution of multicolour brochures and participating in national and international fairs and festivals to highlight Kerala as a tourist destination. So all the innovative marketing strategies implemented by the department have made Kerala tourism as a global brand (brand equity of Kerala tourism is explained in the first chapter). As a result in order to maintain the global brand image of the state tourism and to permit diffusion of

benefits directly to the local people a Tourism Advisory Committee has been formed in the state. The members of the committee are from government officials, private officials, academic institutions and famous journalists. Now the department is operating 24 guest houses in different districts, Yatri Nivas at Trivandrum and Ernakulam and Kerala house at Kanyakumari and New Delhi. The major organisations, departments and organisations under the department for the development of tourism in the state includes Kerala Tourism Development Corporation (KTDC), District Tourism Promotion Councils (DTPC), Tourism Resorts (Kerala) Limited (TRKL), Bekal Resorts Development Corporation (BRDC), Kerala Institute of Travel and Tourism Studies (KITTS), Thenmala Eco-Tourism Society and Kerala Institute of Hospitality Management (KIHMS). (The detailed explanations of these institutions are incorporated in the appendix 3.2).

3.3.2) Index of Tourism intensity

One of the defects of tourist penetration rate is that this takes into account only the stay over tourists. Those who are not stayed in a registered accommodation unit are not included. The impacts of tourism upon a destination is determined by the volume of tourists arrivals, their spending pattern, duration of stay, type of accommodation they are using and their interaction with the host population. So the nature of impacts varies with the changes in these factors. Thus the Index of Tourism Intensity can be used as a measure to infer impact of tourism in Kerala. That is, this indicator measures the impact of tourism per kilometre square. According to Euro stat (2010), tourism intensity provides a more objective measure of economic significance of tourism for a region compared to absolute numbers of tourist arrivals or overnight stays. A lot of numbers are related to tourism namely, number of tourists, number of flights, number of restaurants and cafes and number of jobs created. The measurement of tourism intensity describes relative benefits of tourism by assessing all the relative weights of above numbers. Index of Tourism Intensity is a measure of concentration and it uses two density measures namely tourist density and resident population density. It can be calculated as

$$\text{Index of Tourism Intensity} = \frac{N(i) \times 100}{R(i)}$$

Where,

R (i) = Density of population

N (i) = Density of Tourists

Here tourist density is a proportion of total number of the tourists arrived and area in sq.km. This ratio shows the density of tourists in a destination at any point on time on average. That is,

$$\text{Density of Tourists} = \frac{\text{Total Number of Tourists}}{\text{Area in sq.km}}$$

The table 3.18 shows the Index of Tourism Intensity of Kerala from 1991 to 2015. Index of Tourism Intensity shows an increasing trend from 1991 to 2015 except in the year 1998. In 1998 tourist density also decreased when compared to the previous year. The growth rate of index of tourism intensity is negative in the years 1991, 2001 and 2005. In 1998 and 2005 total number of tourists arrived is lower compared to the previous years. As a result it decreased density of tourists and thereby index of tourism intensity. But in 2001 total number of tourists arrived and the tourist density are increased when compared to the previous year. But the negative growth rate was caused by the increase in the density of population.

Table 3.19: Index of Tourism Intensity of Kerala from 1991 to 2015

| Year | Total Number of Tourists | Area in sq.km | Density of Tourists | Density of population | ITI | Growth rate of ITI |
|------|--------------------------|---------------|---------------------|-----------------------|-------|--------------------|
| 1991 | 1018300 | 38863 | 26.20 | 749 | 3.50 | - |
| 1992 | 1084775 | 38863 | 27.91 | 749 | 3.73 | 6.571 |
| 1993 | 1122445 | 38863 | 28.88 | 749 | 3.86 | 3.49 |
| 1994 | 1331290 | 38863 | 34.26 | 749 | 4.57 | 18.39 |
| 1995 | 4058628 | 38863 | 104.43 | 749 | 13.94 | 205.03 |
| 1996 | 4579857 | 38863 | 117.85 | 749 | 15.73 | 12.84 |
| 1997 | 5135828 | 38863 | 132.15 | 749 | 17.64 | 12.14 |
| 1998 | 4671655 | 38863 | 120.21 | 749 | 16.05 | -9.01 |
| 1999 | 5090460 | 38863 | 130.98 | 749 | 17.49 | 8.97 |
| 2000 | 5223154 | 38863 | 134.40 | 749 | 17.94 | 2.57 |
| 2001 | 5448522 | 38863 | 140.20 | 820 | 17.10 | -4.68 |
| 2002 | 5800820 | 38863 | 149.26 | 820 | 18.20 | 6.43 |
| 2003 | 6165849 | 38863 | 158.66 | 820 | 19.35 | 6.319 |
| 2004 | 6317728 | 38863 | 162.56 | 820 | 19.82 | 2.43 |

| | | | | | | |
|------|----------|-------|--------|-----|-------|-------|
| 2005 | 6292922 | 38863 | 161.93 | 820 | 19.75 | -0.35 |
| 2006 | 6700258 | 38863 | 172.41 | 820 | 21.03 | 6.48 |
| 2007 | 7158749 | 38863 | 184.20 | 820 | 22.46 | 6.79 |
| 2008 | 8190179 | 38863 | 210.74 | 820 | 25.70 | 14.43 |
| 2009 | 8470795 | 38863 | 217.97 | 820 | 26.58 | 3.42 |
| 2010 | 9254340 | 38863 | 238.13 | 820 | 29.04 | 9.26 |
| 2011 | 10114440 | 38863 | 260.26 | 860 | 30.26 | 4.20 |
| 2012 | 10870550 | 38863 | 279.71 | 860 | 32.52 | 7.47 |
| 2013 | 11715954 | 38863 | 301.47 | 860 | 35.05 | 7.78 |
| 2014 | 12618777 | 38863 | 324.70 | 860 | 37.76 | 7.73 |
| 2015 | 13443050 | 38863 | 345.91 | 860 | 40.22 | 6.511 |

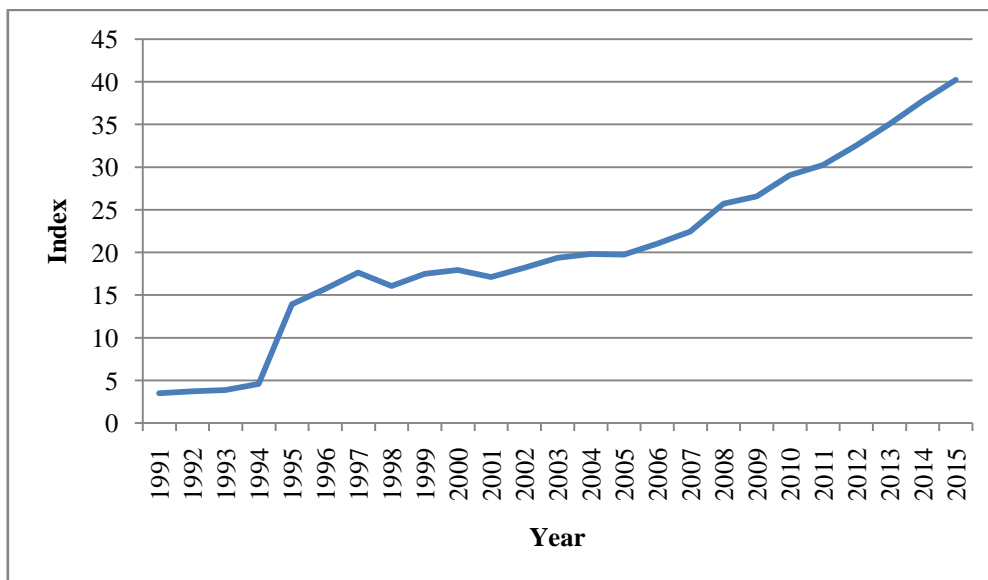
Source: Number of Tourists- Department of Tourism, Kerala

Area in sq.km, Density of population- Census Report 2011

Density of Tourists, Index of Tourism Intensity- calculated by the researcher

The increasing trend of index of tourism intensity is shown in the figure 3.12:

Figure 3.12: Index of Tourism Intensity



Source: Compiled from the index of tourism intensity

The five yearly average of the index of tourism intensity (table 3.20) shows that there is a threefold increase in the index from 1991-1995 to 1995-2000. After that there is a steady growth up to 2015.

Table 3.20: Five Yearly Average of Index of Tourism Intensity

| Period | Five Yearly Average |
|-----------|---------------------|
| 1991-1995 | 5.92 |
| 1996-2000 | 16.97 |
| 2001-2005 | 18.844 |
| 2006-2010 | 24.962 |
| 2011-2015 | 35.162 |

Source: Compiled from the Index of Tourism Intensity

The table 3.21 shows the Index of Tourism Intensity across districts of Kerala in 2015.

Table 3.21: Index of Tourism Intensity of Kerala across the Districts in 2015

| Districts | Total Number of Tourists | Area in sq.km | Density of Tourists | Density of population | Index of Tourism Intensity |
|--------------------|--------------------------|---------------|---------------------|-----------------------|----------------------------|
| Thiruvananthapuram | 2171693 | 2192 | 990.74 | 1508 | 65.70 |
| Kollam | 291209 | 2491 | 116.90 | 1061 | 11.02 |
| Pathanamthitta | 127799 | 2637 | 48.46 | 452 | 10.72 |
| Alappuzha | 334345 | 1414 | 236.45 | 1504 | 15.72 |
| Kottayam | 508077 | 2208 | 230.11 | 895 | 25.71 |
| Idukki | 752431 | 4368 | 172.26 | 255 | 67.55 |
| Ernakulam | 3281537 | 3068 | 1069.60 | 1072 | 99.78 |
| Thrissur | 2667771 | 3032 | 879.87 | 1031 | 85.34 |
| Palakkad | 504476 | 4480 | 112.61 | 627 | 17.96 |
| Malappuram | 493670 | 3550 | 139.06 | 1157 | 12.02 |
| Kozhikode | 823789 | 2344 | 351.45 | 1316 | 26.71 |
| Wayanad | 619712 | 2131 | 290.81 | 384 | 75.73 |
| Kannur | 622221 | 2966 | 209.79 | 852 | 24.62 |
| Kasaragod | 244320 | 1992 | 122.65 | 657 | 18.67 |
| State | 13443050 | 38863 | 345.91 | 860 | 40.22 |

Source: Number of Tourists- Department of Tourism, Kerala,

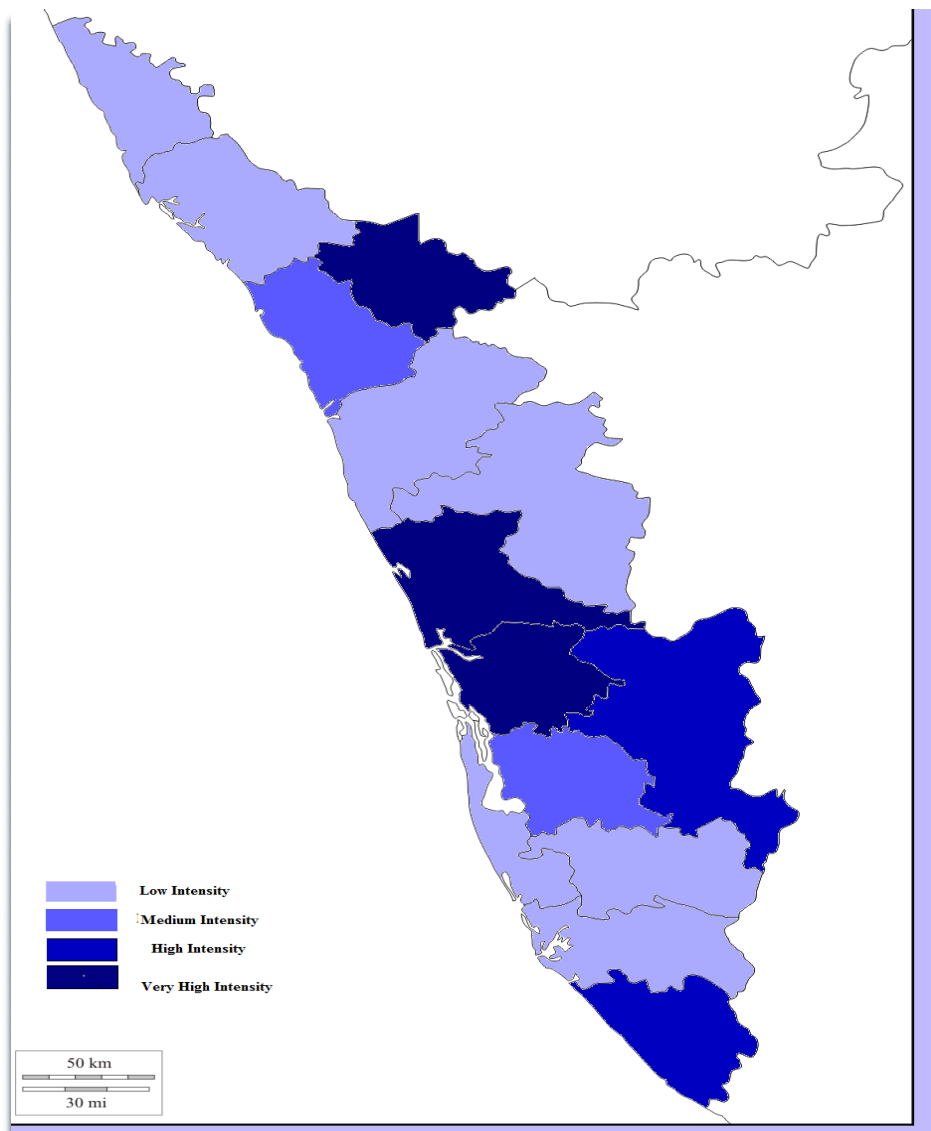
Area in sq.km, Density of population- Census Report 2011,

Density of Tourists, Index of Tourism Intensity- calculated by the researcher

Here the Index is graded into four as Very High Intensity ranges from index value 75 to 100, High Intensity ranges from index value 50 to 75, Medium intensity ranges from index value 25 to 50 and low Intensity ranges from index value 0 to 25. So Ernakulam, Thrissur and Wayanad are included in the category of Very High intensity, Thiruvananthapuram and Idukki High Intensity, Kottayam and Kozhikode Medium and remaining under the category of Low Intensity. From the table 3.20 it is inferred that in the case of Alappuzha and Kozhikode even the tourist density is higher, a higher population density brought down the

Index of Tourism Intensity value. Both the Index of Tourism Intensity and density of tourists is higher in the case of Ernakulam. Ernakulam was followed by Thrissur and Wayanad. Here five districts namely Thiruvananthapuram, Idukki, Ernakulam, Thrissur and Wayanad exhibit and index value which is greater than the state level. In order to know how population density and tourist density are linked each other, it is essential to establish the consistency of the both. For this, Spearman's Rank Correlation was worked out. The result indicates a positive correlation ($r_s=0.512$, $p=0.061$) between the density of tourists and density of population of the state. The result indicates that higher population density necessarily be associated with high tourist density. However, this does not indicate that tourists prefer a destination with high population.

Map 3.1: Index of Tourism Intensity, Kerala



Source: Compiled by the Researcher

The categorisation is shown in the state map 3.1. Considering all the 14 districts we can see that tourist density is always lesser than population density. A higher index would logically suggest that the magnitude of tourism's impacts to both guests and the hosts could be higher with higher tourist activity intensity (Sutheeshna, 2006-07).

3.4) CONCLUSION

From the above analysis it is clear that the arrivals, penetration and index of tourism intensity in Kerala are different among the districts. The share of domestic tourist arrival was highest in Ernakulam, followed by Thrissur and Thiruvananthapuram. In the case of foreign tourist arrivals Ernakulam tops the highest and followed by Thiruvananthapuram and Idukki. Domestic tourist penetration and foreign tourist penetration of Kerala in 2015 is 6.01 and 1.26 respectively. Highest domestic tourist penetration was shown by Ernakulam followed by Thrissur and Wayanad. It is noticed that domestic tourist arrivals and domestic tourist penetration was highest in Ernakulam. Similarly, foreign tourist arrivals and foreign tourist penetration was also highest in Ernakulam. In the case of index of tourism intensity Ernakulam, Thrissur and Wayanad shows very high index of tourism intensity. One peculiarity of these districts is that these three also shows highest domestic tourists penetration rate. Out of the four sample destinations, except Vembanad shows high intensity of the tourists. When the intensity varies from destinations to destinations the impact created by them also varies. So the discussions in following chapter are based on the varying dimensions of the impact (economic and ecological) as a result of the spatial differences in the tourism intensity in the sample destinations.

CHAPTER 4

ECONOMIC IMPACT OF TOURISM: ANALYSIS OF EMPLOTMENT, INCOME AND STANDARD OF LIVING

4.1) INTRODUCTION

The higher penetration and intensity discussed earlier needs scrutinizing as it is economically beneficial or not. This chapter is an attempt to identify the economic impact created by tourism upon the regional economies of Kerala. The ecological impact is discussed in the next chapter. Local economies sustenance of tourism is based upon the active partnership of the local residents in the tourist activities. As a result their attitudes toward tourism and awareness of its impact on community life must be continually assessed (Allen, Long & Dieselbach, 1988). Thus in this study the impact created as a result of tourism is measured mainly on the basis of the local people's perceptions. It starts with the types of impact created upon the regional economies based on secondary data and conceptual framework for measuring economic impact. Then the primary survey results in terms of the variables employment, income and standard of living are discussed. For that group score analysis, total score analysis, Spearman's Rank Correlation, the Coefficient of Concordance and paired sample t test are used.

The range of impacts of tourism is broad and it may influence even who are not directly related to tourism. According to Stynes (1997) Economic impact of tourism has been defined under three categories namely direct impact, indirect impact and induced impact. They are:

1. Direct impact: Direct impact refers to changes in the industries associated directly with visitor spending.
2. Indirect impact: It is a multiplier impact through backward and forward linkages. It is about the intermediate consumption for the production of goods and services in the tourism sector. These are goods and services that tourism companies purchase from their suppliers, forming the tourism supply chain.
3. Induced impact: It relates to sales, income or jobs resulting from household spending as a result of income earned from visitor spending (either directly or indirectly). Induced effects also include the consumption of companies that are benefited directly or indirectly from initial expenditure in the tourism sector.

Thus the total impact of tourism = direct impact + indirect impact + induced impact.

WTTC's report compares the total impact of tourism in 2011 for different countries. It shows that tourism contributes 4.5 per cent to India's GDP (table 4.1).

Table 4.1: Tourism's Direct, Indirect, Induced and Total contribution to the GDP by value, 2011

| Countries | Direct impact | Indirect impact | Induced impact | Total impact | Total contribution (per cent of GDP) |
|--------------------|----------------------|------------------------|-----------------------|---------------------|--|
| US | 404.0 | 649.2 | 296.5 | 1,349.7 | 8.8 |
| China | 166.7 | 282.2 | 116.4 | 565.3 | 8.6 |
| Japan | 120.1 | 172.5 | 84.0 | 376.6 | 6.9 |
| Australia | 44.7 | 93.3 | 37.7 | 175.7 | 13.0 |
| France | 97.1 | 84.6 | 46.2 | 227.9 | 9.1 |
| Spain | 68.4 | 84.2 | 39.1 | 191.7 | 14.4 |
| Brazil | 68.0 | 76.6 | 42.7 | 187.3 | 9.1 |
| UK | 57.0 | 73.2 | 32.1 | 162.3 | 6.9 |
| Italy | 64.3 | 71.4 | 34.8 | 170.5 | 8.6 |
| Germany | 53.9 | 64.7 | 27.1 | 145.7 | 4.6 |
| Russian Federation | 25.2 | 55.9 | 22.3 | 123.4 | 5.9 |
| Mexico | 65.2 | 43.7 | 27.6 | 136.5 | 13.0 |
| Canada | 23.2 | 43.6 | 16.8 | 83.6 | 5.0 |
| Indonesia | 25.3 | 32.3 | 15.7 | 73.3 | 9.1 |
| India | 34.0 | 29.4 | 16.3 | 79.7 | 4.5 |
| Turkey | 29.2 | 28.0 | 14.3 | 71.5 | 12.0 |
| Republic of Korea | 19.7 | 26.8 | 12.0 | 56.5 | 5.1 |
| Argentina | 15.8 | 18.4 | 9.4 | 43.6 | 11.2 |
| South Africa | 19.7 | 16.2 | 9.1 | 45.0 | 11.4 |
| Saudi Arabia | 13.5 | 11.1 | 5.7 | 30.3 | 6.7 |

Note: In US\$ billion and 2011 estimate

Source: World Travel and Tourism Council, 2011

NCAER (2012) calculated the direct and indirect contribution of tourism in Gross Value Added (GVA) and employment in Kerala for the first time by using the Tourism Satellite Accounts (table 4.2).

Table 4.2: Contribution of Kerala Tourism from 2009 to 2012*

| Country/ state | Direct Impact | Indirect + Induced Impact | Total Impact |
|----------------------------------|--------------------------|--------------------------------------|-------------------------|
| Contribution in GVA | | | |
| India | 3.8 | 3.2 | 7.0 |
| Kerala | 4.7 | 4.8 | 9.5 |
| Contribution to Total Employment | | | |
| India | 4.4 | 5.8 | 10.2 |
| Kerala | 9.9 | 13.6 | 23.5 |

Source: NCAER, 2012. Regional Tourism Satellite Account for Kerala and Madhya Pradesh 2009–10, Ministry of Tourism, Government of India.

Note: * Recent data is not available.

Kerala is the only partner state of WTTC in India. In 2003, WTTC used an expenditure based approach to show that travel and tourism accounted for 7.7 per cent of the total economy and generated employment for 0.1 crore, which formed 6.2 per cent of the total employment (less than its share in GSDP) (WTTC, 2003).

4.2. ASSESSMENT OF ECONOMIC IMPACT

Economic impact assessment measures the contribution of tourism to the economy in terms of income, employment generation, infrastructural facilities, local industry development, regional development and changes in the standard of living of the people. That is it gives a better understanding of the role and importance of tourism in an economy. An economic impact analysis traces the flows of spending associated with tourism activity in a region to identify changes in sales, tax revenues, income and jobs due to tourism activity (Stynes, 1997). There are various methods to calculate the impact created by tourism upon the economy. Important of them are Tourism Satellite Account, Input-Output table and model, Social Accounting Matrix and Computable General Equilibrium Models. Nowadays more than 60 countries of the world are using Tourism Satellite Account to measure the direct effect of Tourism Consumption on their national economies. This method is applying the principles and structure of the System of National Accounts to measure the direct economic impact of tourism. Usually World Tourism Organisation is following this method to measure the direct effect of tourism upon the national economies. On the other hand the secondary effects of tourism can be measured by applying the Input-Output model by using Input-Output table. But Social Accounting Matrix is incorporating the survey information on

income of individuals and the expenditures of households. Computable General Equilibrium Models is an extension of Social Accounting Matrix to address how an economy is adjusting to increased tourism expenditure and reaches to a new general equilibrium. All the methods explained above are based on national data and it is difficult to calculate it with regional data. So in order to identify the economic impact created by tourism this study makes use of “Economic Impact Assessment Scale” method. Here the assessment scale is based on five point Likert Scale. The reliability of the schedule is tested by using Cronbach’s Alpha, the value 0.986 shows high reliability of the questions.

The local people who are engaged in tourism related jobs are the gainers and losers of tourism. So they are the actual stake holders of tourism and its consequences in the corresponding regional economies. As a result the people selected for the interview are local residents who are engaged in the tourism related jobs. The tourism related job include Hotel and restaurants, Paying Guest facility provider, Artists or Performer, Spices Shop, Handicraft Shop, Cool bar or Tea Shop, Studio or Photographer, Taxi or Auto rickshaw Driver, Ayurvedic Center, Travel agent or Tour operator, Guide and Book or Souvenir shops are interviewed with a pre designed schedule (Schedule is attached in the appendix 4.1). Here care should be given to make sure that at least one person from each group from each destinations is included. Also local people have their shop within the radius of one kilometre of the tourist destination is selected. The survey starts with the personal data of the respondents.

4.2.1. Profile of the local people engaged in tourism related jobs

Age, Sex and Religion of the local people engaged in tourism related jobs are given in the table 4.3:

Table 4.3: Age, sex and religion of the Local People engaged in Tourism Related Jobs (in percentage)

| Indicators | Category | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------------|-----------------|----------------|---------------|-----------------|-----------------|--------------|
| Age Group | Below 21 | 4.0 | 9.0 | 4.0 | 1.0 | 4.5 |
| | 21-40 | 45.0 | 49.0 | 61.0 | 44.0 | 49.75 |
| | 41-60 | 39.0 | 33.0 | 32.0 | 49.0 | 38.25 |
| | Above 60 | 12.0 | 9.0 | 3.0 | 6.0 | 7.5 |
| Gender | Male | 90.0 | 88.0 | 86.0 | 86.0 | 87.5 |
| | Female | 10.0 | 12.0 | 14.0 | 14.0 | 12.5 |

| | | | | | | |
|----------------|-----------|------|------|------|------|------|
| Marital Status | Married | 74.0 | 73.0 | 76.0 | 80.0 | 75.8 |
| | Unmarried | 24.0 | 27.0 | 23.0 | 17.0 | 22.8 |
| | Widow/er | 2.0 | 0.0 | 1.0 | 3.0 | 1.5 |
| Religion | Hindu | 60.0 | 72.0 | 62.0 | 89.0 | 70.8 |
| | Christian | 8.0 | 23.0 | 16.0 | 9.0 | 14.0 |
| | Muslim | 32.0 | 5.0 | 22.0 | 2.0 | 15.3 |

Source: Primary Survey

Table 4.3 indicates that nearly half of the respondents are in the age group of 21-40. 88 per cent of the people are included in the age group in between 21 to 60. So the interesting feature is that young respondents are shouldering the tourism related jobs. In Kovalam, Munnar and Thekkady the highest proportion range is 21- 40 but in Vembanad it is 41- 60. Out of the total respondents majority of them were males and a very negligible portion is constituted by the female category. The proportion of male population is highest in Kovalam i.e., 90 per cent. Here 3/4th of the respondents are married and the remaining constitute unmarried and widow. Married population is highest in Vembanad and it also constitutes the half of the widow category. Yet the unmarried section is highest in Munnar. Out of this above 70 per cent is constituted by the Hindu religion. Out of these four sample units Hindu population is highest in Vembanad (89 per cent), Christian population in Munnar (23 per cent) and Muslim in Kovalam i.e., 32 per cent.

Education and Occupation of the local people engaged in tourism related jobs are given in table 4.4.

Table 4.4: Education and Occupation of the Local People Engaged in Tourism Related Jobs (in percentage)

| Indicators | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------------------|---------|--------|----------|----------|-------|
| Primary Education | 23.0 | 15.0 | 23.0 | 28.0 | 22.3 |
| SSLC | 50.0 | 34.0 | 33.0 | 34.0 | 37.8 |
| Pre-Degree/ Plus Two | 18.0 | 28.0 | 30.0 | 24.0 | 25.0 |
| Graduate | 8.0 | 16.0 | 12.0 | 7.0 | 10.8 |
| Post Graduate | 1.0 | 3.0 | 0.0 | 0.0 | 1.0 |
| Professional/ Technical | 0.0 | 4.0 | 2.0 | 7.0 | 3.3 |
| Employee | 19.0 | 31.0 | 19.0 | 21.0 | 22.5 |
| Owner | 81.0 | 69.0 | 81.0 | 79.0 | 77.5 |

Source: Primary Survey

Educational background is important because it affect a person’s attitudes and way of looking. Here 37.8 per cent of the respondents are qualified SSLC examination and only one per cent post graduation. Primary and Professional/ Technical education is highest in Vembanad, SSLC in Kovalam, Pre-Degree/ Plus Two in Thekkady and graduates and post graduates in Munnar. Thekkady and Vembanad have zero number of post graduates and Kovalam Professional/ Technical education. It means that the males with relatively lesser levels of education are finding jobs in their locale which offer an opportunity because of tourism. Out of the 400 respondents 310 of them are owners of the shop. Out of these owners 25 per cent of them are owner cum sales man of their shops.

4.2.2) Individual and Local Development due to Tourism

The analysis of individual and local development due to tourism is analysed by considering the variables like nature of occupation, awareness about the past and present occupation, employment and income generated, factors affected their business, various types of supports from various organisations, alternative facilities available in their locality and investment in tourism business. Local people are engaged in the different types of economic activities in the tourism spots. Out of these different types of economic activities the larger proportion is by handicraft shops, restaurants and drivers. But the proportion of people engaged in the artists/ performers group constitute very low per cent of 2.3. The categories like hotels providing accommodation, paying guest facility, studio or photographer, taxi or auto rickshaw driver, ayurvedic center, travel agent or tour operator and guide are highest in Vembanad. Kovalam constitute the highest proportion of artists or performer, handicraft shop and restaurants or cool bar or tea shop. Similarly Munnar constitute the highest proportion of spices shop, book shops or souvenir shops and textiles. It is shown in table (4.5):

Table 4.5: Nature of Occupation of the Respondents (in percentage)

| Nature of occupation | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------------------------|----------------|---------------|-----------------|-----------------|--------------|
| Hotel and resorts | 3.0 | 5.0 | 6.0 | 8.0 | 5.5 |
| Paying Guest facility provider | 1.0 | 4.0 | 5.0 | 7.0 | 4.3 |
| Artists/ Performer | 4.0 | 2.0 | 1.0 | 2.0 | 2.3 |
| Spices Shop | 9.0 | 20.0 | 19.0 | 7.0 | 13.8 |
| Handicraft Shop | 25.0 | 15.0 | 10.0 | 11.0 | 15.3 |
| Restaurants/Cool bar/Tea Shop | 25.0 | 12.0 | 14.0 | 16.0 | 16.8 |

| | | | | | |
|-----------------------------|------|------|------|------|------|
| Studio/ Photographer | 2.0 | 3.0 | 3.0 | 4.0 | 3.0 |
| Taxi/ Auto rickshaw Driver | 10.0 | 7.0 | 12.0 | 14.0 | 10.8 |
| Ayurvedic Center | 2.0 | 1.0 | 5.0 | 7.0 | 3.8 |
| Travel agent/ Tour operator | 4.0 | 6.0 | 6.0 | 8.0 | 6.0 |
| Guide | 3.0 | 5.0 | 6.0 | 7.0 | 5.3 |
| Book shops/ Souvenir shops | 6.0 | 9.0 | 6.0 | 3.0 | 6.0 |
| Textiles | 6.0 | 11.0 | 7.0 | 6.0 | 7.5 |
| Total | 100 | 100 | 100 | 100 | 100 |

Source: Primary Survey

92 per cent of the local people who are engaged in the tourism related jobs are preferred to remain in the present tourism related job. According to them this tourism related job provides a better livelihood and they can also run their family very smoothly. 97 per cent of the persons from Thekkady are of this opinion. The other group who are not interested to remain in the present tourism related job opined that they are afraid of the market competition and there by future existence and also not possible to maintain their family during the off season. The details are given in the table (4.6):

Table 4.6: Preference of the Local People to Remain in the Present Job (in percentage)

| Preference | Kovalam | Munnar | Thekkady | Vembanad | Total |
|------------|---------|--------|----------|----------|-------|
| Yes | 81.0 | 94.0 | 97.0 | 96.0 | 92.0 |
| No | 19.0 | 6.0 | 3.0 | 4.0 | 8.0 |
| Total | 100 | 100 | 100 | 100 | 100 |

Source: Primary Survey

The job history of the persons who are now engaged in the tourism related job is also enquired. About 62 per cent of the local people who are engaged in the tourism related job and 75 per cent from the Thekkady itself started their livelihood in the tourism sector. But the remaining proportion has been engaged in other jobs in the past and then shifted. That is, 50 per cent of the persons from Kovalam shifted their livelihood from other jobs to tourism related jobs during the last five years. The persons who are engaged in the tourism related jobs now shifted from a variety of jobs like coolie, teacher in private institution, agriculture, plantation labour, mechanic, driver, tailor, business, nurse, sales girl, cook, security, private bank, lottery agent, servant, fishing, aluminium fabrication work, business developer,

boating, shopkeeper, construction work, ration shop, chef, local journalist, social worker, carpenter, government service, armed force and same job in other places. Here the government employees and military men opted this job after retirement. But others shifted due to some other reasons. Their reasons are ranked in the table 4.7:

Table 4.7: Reasons for Change (in percentage)

| Reasons for Change | Ranking | | | | | |
|--|---------|--------|-------|--------|-------|-------|
| | First | Second | Third | Fourth | Fifth | Sixth |
| More Profitable | 11.84 | 13.81 | 30.92 | 29.61 | 8.55 | 5.26 |
| More Convenient | 30.26 | 42.76 | 18.42 | 7.89 | 1.32 | 0.0 |
| Less Risky | 15.79 | 23.03 | 19.74 | 21.05 | 15.79 | 4.61 |
| More Encouragement from the Government | 6.58 | 2.63 | 9.87 | 9.87 | 31.58 | 39.47 |
| Better Scope in Future | 3.95 | 5.92 | 12.5 | 21.05 | 34.86 | 21.71 |
| Other Reasons | 31.58 | 11.84 | 8.55 | 11.18 | 7.89 | 28.95 |

Source: Primary Survey

The major reasons why they are shifted from other jobs like more profitable, more convenient, less risky, more encouragement from the government and better scope for the future are ranked according to their experience. Nearly 32 per cent of them put other reasons including low wages in the previous job, hardships, undignified treatment in the work place and far away from the family as their first choice for shifting. But only six per cent considered better scope in future as their first reason. Yet 65 persons of them ranked more convenient as their second preference and only four persons considered more encouragement from the government as their second preference. Likely 29.45 per cent put more profitable as their third preference and 28.33 as their fourth rank. Hence people have shifted from the previous job and engaged in tourism related job with hope, to be here for longer. The total score and mean rank are shown in the table 4.8:

Table 4.8: Total Score and Mean Rank of Reasons for Change (in percentage)

| Reasons for Change | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|--------------------|-------------|-----------------|-----------|-------------------|
| More Profitable | 570 | 400 | 1.425 | 8.575 |
| More Convenient | 753 | 400 | 1.8825 | 8.1175 |
| Less Risky | 590 | 400 | 1.475 | 8.525 |

| | | | | |
|--|-----|-----|--------|--------|
| More Encouragement from the Government | 341 | 400 | 0.8525 | 9.1475 |
| Better Scope in Future | 392 | 400 | 0.98 | 9.02 |
| Other Reasons | 549 | 400 | 1.3725 | 8.6275 |

Source: Compiled using Primary Survey

People engaged in tourism related job have started their career in different time. The table (4.9) explained it in detail.

Table 4.9: Duration (in percentage)

| Duration | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------------|---------|--------|----------|----------|-------|
| Below one year | 5.0 | 5.0 | 3.0 | 3.0 | 4.0 |
| 1-5 years | 27.0 | 37.0 | 40.0 | 35.0 | 34.75 |
| 5-10 years | 17.0 | 17.0 | 19.0 | 35.0 | 22.0 |
| More than 10 years | 51.0 | 51.0 | 38.0 | 27.0 | 39.25 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

From table 4.9 it is clear that about 40 per cent of them started their job before 10 years. So majority of the local people are well settled in the economy. 34.8 per cent have a job of 1-5 years old. But only four per cent have just started their job. To start an enterprise investment is needed. Initial investment is the amount that an owner needs to start the enterprise. It includes personal capital, government financial aid and money raised from the family or friends or banks or investors. Initial investment made by the owners of the firm and their source of finance is shown in the table (4.10):

Table 4.10: Initial Investment and Source of Finance (in percentage)

| Indicators | | Kovalam | Munnar | Thekkady | Vembanad | Total |
|------------------------------|-----------------------------------|---------|--------|----------|----------|-------|
| Source of Initial Investment | Up to one lakh | 25.93 | 17.39 | 8.64 | 15.19 | 16.77 |
| | One- ten lakh | 67.9 | 63.77 | 85.19 | 78.48 | 74.2 |
| | 10-25 lakh | 6.17 | 14.49 | 3.7 | 2.53 | 6.45 |
| | Above 25 lakh | 0.0 | 4.35 | 2.47 | 3.8 | 2.58 |
| Source of finance | Personal capital, retained profit | 62.96 | 53.62 | 41.98 | 53.16 | 52.9 |
| | Family/ friends | 6.17 | 11.59 | 25.93 | 18.99 | 15.81 |

| | | | | | | |
|--|-------------------|------|-------|------|-------|-------|
| | Government grants | 0.0 | 0.0 | 1.22 | 3.8 | 1.29 |
| | Bank loans | 28.4 | 34.78 | 28.4 | 20.25 | 27.74 |
| | Others | 2.47 | 0.0 | 2.47 | 3.8 | 2.26 |

Source: Primary Survey

Here above 25 lakh initial investments was used by only eight owners. But majority of them have an investment of one- ten lakh. Out of this, Thekkady constitute the highest proportion of 69 per cent. In Kovalam none of them have an investment of above 25 lakh. Another feature is that 52.9 per cent of them have used personal capital or retained profit especially in Kovalam. But the role of government loans and other financial aids are negligible. Its role is higher in Vembanad compared to other places. However investment in any business is related with risks. That means risk is the level of uncertainty of achieving the returns. Here the local people are asked about their opinion about the investment in tourism.

Table 4.11: Risk in Tourism Investment (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------|---------|--------|----------|----------|-------|
| Yes | 18.52 | 13.04 | 8.64 | 10.13 | 12.58 |
| No | 81.48 | 86.96 | 91.36 | 89.87 | 87.42 |
| Total | 100 | 100 | 100 | 100 | 100 |

Source: Primary Survey

From table 4.11 it is clear that majority of them opined that investment in tourism is not at all risky and they are ready to invest more in this area. When the risk is reduced it will reflect in the return. The table 4.12 explains the monthly earning from this job during the season and offseason.

Table 4.12: Monthly Earning during the Season and Off Season (in percentage)

| Earnings | | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------------|-------------|---------|--------|----------|----------|-------|
| During season | 2500-5000 | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| | 5000-10000 | 2.0 | 1.0 | 0.0 | 2.0 | 1.3 |
| | 10000-15000 | 15.0 | 6.0 | 4.0 | 4.0 | 7.3 |
| | 15000-20000 | 29.0 | 12.0 | 5.0 | 9.0 | 13.8 |
| | 20000-25000 | 37.0 | 14.0 | 9.0 | 18.0 | 19.5 |
| | Above 25000 | 16.0 | 67.0 | 82.0 | 67.0 | 58.0 |
| During off season | Below 2500 | 4.0 | 0.0 | 0.0 | 0.0 | 1.0 |

| | | | | | | |
|--|-------------|------|------|------|------|------|
| | 2500-5000 | 12.0 | 0.0 | 0.0 | 0.0 | 3.0 |
| | 5000-10000 | 23.0 | 6.0 | 2.0 | 4.0 | 8.8 |
| | 10000-15000 | 33.0 | 13.0 | 5.0 | 16.0 | 16.8 |
| | 15000-20000 | 21.0 | 20.0 | 16.0 | 27.0 | 21.0 |
| | 20000-25000 | 5.0 | 22.0 | 37.0 | 31.0 | 23.8 |
| | Above 25000 | 2.0 | 39.0 | 40.0 | 22.0 | 25.8 |

Source: Primary Survey

From table 4.12 it is clear that there is a difference in the earnings during the season and off season. During the season 58 per cent of them earns above 25000 as their monthly earnings. But in the off season it is decreased in to 25.8 per cent. Likewise the number of persons earning in between 2500 to 5000 is increased in the off season. Owners are trying to overcome this seasonal variation by reducing the number of workers under them. In order to know the difference in the earnings during season and off season paired sample t test was conducted. The null hypothesis framed is

There is no significant difference in the average monthly earnings of the local people during the season and off season.

TABLE 4.13: Paired Sample t Test Result of Average Monthly Earnings of Local People during Season and Off Season

| Pair | Mean | p value | t value | Inference |
|---|---------|---------|---------|--------------------|
| Pair 1: Kovalam Season & Kovalam Off season | 8062.50 | .000* | 30.36 | Highly Significant |
| Pair 2: Munnar Season & Munnar Off season | 3250.00 | .000* | 10.97 | Highly Significant |
| Pair 3: Thekkady Season & Thekkady Off season | 3050.00 | .000* | 10.44 | Highly Significant |
| Pair 4: Vembanad Season & Vembanad Off season | 4650.00 | .000* | 13.87 | Highly Significant |
| Pair 5: Total Season & Total Off season | 4853.13 | .000* | 27.73 | Highly Significant |

* Significant at one per cent

Source: Compiled from primary data

From the table 4.13 we can understand that all the pairs have a p value of 0.000. So the null hypothesis is rejected at one per cent level of significance. Thus we can clearly conclude that there is significant difference in the average monthly earnings of the local people during the

season and off season in all the four tourist destinations. Here the correlation between seasonal monthly average earnings and off seasonal monthly average earnings was calculated. In all the four tourist destinations correlation is high degree positive correlation. In Kovalam it is 0.886, Munnar 0.891, Thekkady 0.799 and in Vembanad it is 0.882. Out of these four destinations comparatively low correlation is in Thekkady. In total the correlation coefficient is 0.882.

Employees play a crucial role in a firm. They are the true assets of the firm because they contribute effectively to the smooth functioning of the firm. The number of workers under the owners is given in the table 4.14. Zero number of workers in the table explains the firms in which owner also acts as the sales man. That is 32.26 per cent of the owners do not appoint any workers under them. They alone manage their enterprise. 64.85 per cent of them have less than 10 sales man or worker. The highest number of workers in a firm is 48 which belong to a big hotel with accommodation in Munnar. Since majority is having less than 10 workers under them, the tourism related jobs are basically unorganised in nature.

Table 4.14: Number of Workers Employed (in percentage)

| Number of workers | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------------------|----------------|---------------|-----------------|-----------------|--------------|
| 0 | 18.53 | 26.09 | 38.30 | 45.58 | 32.26 |
| <10 | 81.47 | 68.11 | 58.11 | 51.95 | 64.85 |
| >10 | 0 | 5.80 | 3.69 | 2.47 | 2.9 |
| Total | 100 | 100 | 100 | 100 | 100 |

Source: Primary Survey

By employing workers, each owner is generating new employment under them. The table 4.15 gives the details of employment generated by each owner during the season and offseason. The local and outsiders are working in the tourism related jobs. But the employers prefer to appoint locals especially their friends and relatives.

Table 4.15: Number of Employment Generated in the Business (in percentage)

| Number of workers | Seasonal | | | Off-seasonal | | |
|--------------------|----------|----------|-------|--------------|----------|-------|
| | Local | Outsider | Total | Local | Outsider | Total |
| 1 | 32.56 | 33.33 | 32.58 | 34.47 | 50.0 | 32.58 |
| 2 | 13.29 | 11.11 | 13.23 | 8.77 | 0.0 | 8.71 |
| 3 | 7.31 | 0.0 | 7.1 | 4.55 | 0.0 | 4.52 |
| 4 | 3.99 | 11.11 | 4.19 | 4.22 | 50.0 | 4.52 |
| 5 | 2.33 | 33.33 | 3.23 | 1.62 | 0.0 | 1.61 |
| 6 | 0.66 | 0.0 | 0.65 | 0.32 | 0.0 | 0.32 |
| 7 | 1.33 | 0.0 | 1.29 | 0.32 | 0.0 | 0.32 |
| 8 | 0.66 | 0.0 | 0.65 | 0.32 | 0.0 | 0.32 |
| 9 | 0.66 | 0.0 | 0.65 | 0.0 | 0.0 | 0.0 |
| 10 | 1.0 | 11.11 | 1.29 | 0.65 | 0.0 | 0.65 |
| 12 | 0.66 | 0.0 | 0.65 | 0.97 | 0.0 | 0.97 |
| 15 | 0.33 | 0.0 | 0.32 | 0.32 | 0.0 | 0.32 |
| 18 | 0.33 | 0.0 | 0.32 | 0.32 | 0.0 | 0.32 |
| 24 | 0.33 | 0.0 | 0.32 | 0.32 | 0.0 | 0.32 |
| 25 | 0.33 | 0.0 | 0.32 | 0.32 | 0.0 | 0.32 |
| 35 | 0.66 | 0.0 | 0.65 | 0.32 | 0.0 | 0.32 |
| 45 | 0.33 | 0.0 | 0.32 | 0.0 | 0.0 | 0.0 |
| Owner cum employee | 33.22 | 0.0 | 32.26 | 44.16 | 0.0 | 43.87 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

During the season if they need more workers they appoint their family and friends along with outsiders to assist them. Likewise in the offseason they will cut short their outsider employees. The number of outsider employees is comparatively low in the season also. In the season there are 201 firms having employees from the locality and only nine have employees from outside. Yet in the offseason 172 firms appoint employees within the locality and only two firms are appointing outsiders. The owner cum employee firms in the season is 100, but it increased to 136 in the offseason. That is 36 firms are not appointing any staff during the off season. The category of workers varies from shop to shop. The details are shown in the table (4.16).

Table 4.16: Category of Employment Generated in the Firm during Season (in percentage)

| Category of employment | Kovalam | Munnar | Thekkady | Vembanad | Total |
|------------------------|---------|--------|----------|----------|-------|
| Manager | 31.0 | 5.19 | 1.82 | 2.75 | 4.24 |
| Accountant | 0.70 | 4.44 | 1.21 | 0.92 | 2.34 |
| Receptionist | 1.41 | 3.33 | 3.64 | 1.83 | 2.78 |
| Assistants | 38.03 | 41.11 | 41.82 | 58.72 | 43.57 |
| Security | 0.0 | 2.96 | 2.42 | 5.50 | 2.63 |
| Sweepers | 3.52 | 4.81 | 7.27 | 9.14 | 5.85 |
| Kitchen staff | 11.97 | 9.26 | 15.15 | 12.84 | 11.84 |
| Sales man | 38.03 | 28.89 | 26.67 | 8.26 | 27.05 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Different types of employment are generated in the firm. The highest proportion of employment generated is assistants and sales man. Assistants are working in the field of restaurants or tea shops, studio, paying guest facility centres, artists or performers, ayurvedic centers, travel agents or tour operators and book shops. Sales mans are in the spices shops and handicraft shops. Comparatively lower participation is made by the hotel staff like managers, receptionist and securities.

During the off season tourism business become dull and they have to find alternative source of income. It is shown in the table 4.17:

Table 4.17: Alternative Source of Income during the Off Season (in percentage)

| Activities | Kovalam | Munnar | Thekkady | Vembanad | Total |
|---|---------|--------|----------|----------|-------|
| Concentrate on creation of handicraft | 3.0 | 0.0 | 1.0 | 1.0 | 1.3 |
| Engage in the non seasonal job as part time | 30.0 | 3.0 | 4.0 | 32.0 | 17.3 |
| Continue the same | 62.0 | 90.0 | 95.0 | 65.0 | 78.0 |
| Nothing will do | 5.0 | 7.0 | 0.0 | 2.0 | 3.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

From the table 4.17 it can be inferred that majority of the respondents (i.e., 78 per cent) are continuing the same work and remains in the tourism sector. According to them they cut short the number of assistant/ helpers during the off season. Thus majority of them became owner cum salesman enterprise. But 17.3 per cent of them engage in non seasonal job as part time. But one interesting thing is that 3.5 per cent of them will enjoy the off season by doing nothing.

4.2.2.1) Role of the State

To protect the tourism industry government is supposed to prove different types of supports to the persons who are engaged in the tourism business. The responses on whether they are getting sufficient support from the government for their business. The responses are expressed in the table (4.18). Here the question is answered by the employers only. Out of 310 employers, only 65 are getting the support from the government. Others are not aware of this type of support from the part of the government.

Table 4.18: Response on Government Support (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------|---------|--------|----------|----------|-------|
| Yes | 8.64 | 22.86 | 23.75 | 29.11 | 20.97 |
| No | 91.36 | 77.14 | 76.25 | 70.89 | 79.03 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The important supports are financial support like subsidy and grants, business mentoring and consultancy, tax and duty concessions, funding for start-ups of businesses, incentives for research and development, assistance for industries in transition and others. The major share of the owners who receive the supports is contributed by the Vembanad. The least one is Kovalam. The details are shown in the table (4.19):

Table 4.19: Types of Supports Received by the Owners (in percentage)

| Supports | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------------------|---------|--------|----------|----------|-------|
| Financial Support | 28.57 | 0.0 | 21.05 | 21.74 | 16.9 |
| Business support | 42.86 | 6.25 | 15.79 | 17.39 | 16.92 |
| Tax and duty concessions | 0.0 | 6.25 | 5.27 | 0.0 | 3.08 |
| Multi response | 28.57 | 87.5 | 57.89 | 60.87 | 63.08 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Besides the supports given by the government the tourism department also provides assistance to the tourism business. Here also they are asked whether they are getting any assistance from the tourism department. Their responses are given in the table (4.20):

Table 4.20: Assistances from the Tourism Department (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------|---------|---------|----------|----------|---------|
| Yes | (9.88) | (17.65) | (22.22) | (31.25) | (20.32) |
| No | (90.12) | (82.35) | (77.78) | (68.75) | (76.68) |

Source: Primary Survey

The owners who receive the assistances from the tourism department are reduced when compared with the government supports. 63 owners are accepting the assistances from the tourism department. The prime assistances rented by the tourism department includes local support like subsidised rent and rates, advisory and mentoring services, conducting seminars and workshops, general industry specific training, department website providing information on employing people, money and tax, and business and self employment, networking opportunities, subsidised products such as business planning tools and energy and the environment training.

Table 4.21: Assistances Received from the Tourism Department (in percentage)

| Assistances | Kovalam | Munnar | Thekkady | Vembanad | Total |
|---|---------|--------|----------|----------|-------|
| Advisory and mentoring services | 12.5 | 8.33 | 0.0 | 4.0 | 4.76 |
| Workshops and seminars | 0.0 | 0.0 | 5.56 | 0.0 | 1.59 |
| General and industry-specific training | 0.0 | 8.33 | 0.0 | 0.0 | 1.59 |
| Department websites for providing information on employing people, money and tax and business and self employment | 12.5 | 0.0 | 0.0 | 0.0 | 1.59 |
| Multi response | 75.0 | 83.34 | 94.44 | 96.0 | 90.47 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The details of the assistances are given in the table (4.21). Here also the majority is from Vembanad and the least by Kovalam. 90.47 per cent persons received more than one type of assistances from the tourism department.

In the tourism industry licensing system is to protect businesses, tourists and the community. The type of licence will depend on the services rented by the firm and it is to encourage quality, standard and services in the tourism industry. The firm must satisfy certain requirement on capital invested, number of staff employed and maintenance of minimum office space. Therefore getting license is an initial step for starting a firm. The problem in getting licence in time or not is also enquired. The details are shown in the table (4.22):

Table 4.22: Getting License in Time (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------------|----------------|---------------|-----------------|-----------------|--------------|
| Yes | 9.88 | 34.78 | 3.7 | 34.18 | 20.0 |
| No | 90.12 | 65.22 | 96.3 | 65.82 | 80.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

From the table 4.22 it is clear that 80 per cent of the firms not faced any problem in getting the licence. But 20 per cent of them opined that they suffered a lot due to the lag in getting the license on time. Now homestays become the essence of Kerala's hospitality. It gives the feel of home miles away from home. Today most of the visitors who entered into Kerala are searching for homestays. Because it make them closer to the destination where they are visiting. But the homestay provisions are comparatively low. 58.75 per cent of the local people argued that there is greater possibility for starting a homestay in their locality. But the number is very low. Comparatively higher possibilities to promote homestays are seen in Munnar (table 4.23):

Table 4.23: Possibility to Promote Homestay Facility (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------------|----------------|---------------|-----------------|-----------------|--------------|
| Yes | 14.0 | 65.0 | 72.0 | 84.0 | 58.75 |
| No | 86.0 | 35.0 | 28.0 | 16.0 | 41.25 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Kerala government has introduced various policy measures in the tourism sector by realising its economic potentials. These policies are based on the principle of public private

partnership. Based on this the state has developed institutional mechanism to advancements in promoting accommodation, wayside amenities and human resource and investment in the tourism sector. So the government introduced various policies in time. Usually government should conduct campaigns to introduce these policy measures in the tourism destination. Here 72 per cent of the locals are aware about the various policy measures by the government (table 4.24).

Table 4.24: Policy Awareness (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------|---------|--------|----------|----------|-------|
| Yes | 60.0 | 71.0 | 71.0 | 86.0 | 72.0 |
| No | 40.0 | 29.0 | 29.0 | 14.0 | 28.0 |

Source: Primary Survey

The lion share of persons not knows about the policy measures are from Kovalam and the least by Vembanad. The major policy measures which they believe that that is useful for their local tourism is ranked by them as follows (table 4.25).

Table 4.25: Policy Measures Ranking (in percentage)

| Policy Measures | Ranking | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | 1 st | 2 nd | 3 rd | 4 th | 5 th | 6 th | 7 th | 8 th | 9 th | 10 th |
| Zero tolerance on substance abuse and child abuse in tourism sector | 27.3 | 9.5 | 10.3 | 11.5 | 8.8 | 12.8 | 7.0 | 5.5 | 3.3 | 4.3 |
| Creation of Kerala Responsible Tourism Task Force at the State level | 12.0 | 13.3 | 4.5 | 7.0 | 16.0 | 11.8 | 10.3 | 10.0 | 8.0 | 7.3 |
| Formation of State Tourism Advisory Committee (STAC) | 7.3 | 8.8 | 11.8 | 12.3 | 11.8 | 7.3 | 7.3 | 8.0 | 13.5 | 12.3 |
| Drawing international support to augment expertise in developing Kerala Tourism | 4.5 | 9.8 | 17.8 | 16.3 | 9.8 | 7.3 | 11.0 | 9.5 | 9.8 | 4.5 |
| Strengthening | 2.3 | 6.0 | 14.0 | 12.0 | 11.8 | 9.3 | 11.3 | 9.3 | 12.8 | 11.5 |

| | | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|------|------|
| institutional capacity to implement and enforce policies | | | | | | | | | | |
| Promoting fair and open competition | 4.0 | 3.3 | 4.0 | 4.8 | 7.5 | 9.5 | 11.5 | 14.0 | 17.3 | 24.3 |
| Supporting a transparent and inclusive policy process | 0.8 | 4.8 | 6.5 | 4.5 | 8.5 | 14.3 | 13.0 | 14.0 | 14.5 | 19.3 |
| New campaign on Kerala Waste Free Destination (KWFD) | 28.0 | 25.3 | 15.0 | 9.5 | 5.5 | 3.8 | 3.5 | 3.0 | 3.5 | 3.0 |
| Task force to manage it and a scheme for new investors in tour operations | 2.3 | 4.3 | 3.3 | 7.5 | 7.0 | 14.0 | 18.3 | 21.0 | 12.8 | 9.8 |
| Home stays, serviced villas and Ayurveda centres to participate in international and national tourism promotional events | 11.5 | 15.3 | 13.5 | 15.0 | 13.5 | 10.0 | 7.3 | 5.8 | 4.3 | 4.0 |

Source: Primary Survey

Majority of them ranked zero tolerance on substance abuse and child abuse in tourism sector as first one. On the other hand formation of State Tourism Advisory Committee and strengthening institutional capacity to implement and enforce policies are ranked lastly by them. The total score and mean rank shows new campaign on Kerala Waste Free Destination (KWFD) as the leading one (table 4.26):

Table 4.26: Total Score and Mean Rank of Policy Measures (in percentage)

| Policy Measures | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|--|--------------------|------------------------|------------------|--------------------------|
| Zero tolerance on substance abuse and child abuse in tourism sector | 2768 | 400 | 6.92 | 3.08 |
| Creation of Kerala Responsible Tourism Task Force at the State level | 2293 | 400 | 5.7325 | 4.2675 |
| Formation of State Tourism Advisory Committee | 2120 | 400 | 5.3 | 4.7 |

| | | | | |
|--|------|-----|--------|--------|
| (STAC) | | | | |
| Drawing international support to augment expertise in developing Kerala Tourism | 2319 | 400 | 5.7975 | 4.2025 |
| Strengthening institutional capacity to implement and enforce policies | 1996 | 400 | 4.99 | 5.01 |
| Promoting fair and open competition | 1495 | 400 | 3.7375 | 6.2625 |
| Supporting a transparent and inclusive policy process | 1593 | 400 | 3.9825 | 6.0175 |
| New campaign on Kerala Waste Free Destination (KWFD) | 3114 | 400 | 7.785 | 2.215 |
| Task force to manage it and a scheme for new investors in tour operations | 1690 | 400 | 4.225 | 5.775 |
| Home stays, serviced villas and Ayurveda centres to participate in international and national tourism promotional events | 2620 | 400 | 6.55 | 3.45 |

Source: Compiled using Primary Survey

Various policies are introduced by the government in the tourism sector by comprising central government and local authorities, along with nationalised industries. The objectives of the tourism policies cover the areas of economic, socio-cultural and environmental. So the policies are mainly affected by the local people who are engaged in the tourism related jobs. Here the local people believe that government should consider the feelings of the local people while constructing the policy measures. They ranked the measures which are to be considered while preparing the tourism policies in the following way (table 4.27):

Table 4.27: Policy Ranking (in percentage)

| Measures | Ranking | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1 st | 2 nd | 3 rd | 4 th | 5 th | 6 th | 7 th |
| Local people should be consulted when tourism policies are being made | 76.5 | 9.3 | 7.8 | 2.3 | 1.5 | 2.5 | 0.3 |
| Local people should have a voice in the decision making process of local tourism development | 10.8 | 66.3 | 15.0 | 3.5 | 3.5 | 0.5 | 0.5 |
| Local people should be financially supported to invest in tourism development | 6.3 | 11.3 | 44.5 | 17.0 | 10.8 | 8.3 | 2.0 |
| Local people should take the leading role as entrepreneurs | 3.0 | 7.8 | 17.3 | 52.3 | 8.3 | 6.3 | 5.3 |
| Local people should be consulted but the final decision on the tourism development should be made by formal bodies | 0.0 | 1.5 | 6.5 | 11.0 | 60.5 | 14.3 | 6.3 |
| Local people should take the leading role as workers at all levels | 3.5 | 4.0 | 9.0 | 13.0 | 10.3 | 57.5 | 2.8 |
| Local people should not participate by any means | 0.0 | 0.3 | 0.3 | 1.0 | 5.5 | 10.5 | 82.5 |

Source: Primary Survey

Each policy has varied influence in different tourism destinations. So the local people opined that they can contribute much to the policy formulations. Therefore they ranked the measure; local people should be consulted when tourism policies are being made, as first by above 75

per cent. From the table 4.27 it can be inferred that in the development of tourism there should be adequate measures to ensure local people's participation by consulting them in the policy formulation and they should have voice in the decision making process related to local tourism. The mean score value of the policy measures also shows that local people must be consulted when tourism policies are being made (table 4.28):

Table 4.28: Total Score and Mean Rank of Policy Measures

| Measures | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|--|--------------------|------------------------|------------------|--------------------------|
| Local people should be consulted when tourism policies are being made | 2594 | 400 | 6.485 | 3.515 |
| Local people should have a voice in the decision making process of local tourism development | 2295 | 400 | 5.7375 | 4.2625 |
| Local people should be financially supported to invest in tourism development | 1810 | 400 | 4.525 | 5.475 |
| Local people should take the leading role as entrepreneurs | 1621 | 400 | 4.0525 | 5.9475 |
| Local people should be consulted but the final decision on the tourism development should be made by formal bodies | 1207 | 400 | 3.0175 | 6.9825 |
| Local people should take the leading role as workers at all levels | 1176 | 400 | 2.94 | 7.06 |
| Local people should not participate by any means | 507 | 400 | 1.2675 | 8.7325 |

Source: Compiled using Primary Survey

Table 4.29: Use of Modern Amenities (in percentage)

| Opinion | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------------|----------------|---------------|-----------------|-----------------|--------------|
| Yes | 18.0 | 45.0 | 42.0 | 57.0 | 40.5 |
| No | 82.0 | 55.0 | 58.0 | 43.0 | 59.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Modern amenities include web sites; internet and online canvassing are used for the expansion of business. From the table 4.29 it is clear that more than 50 per cent of the local people are not using this type of modern amenities in the tourism related job. That is, they are following conventional methods for the expansion of their business.

In general seasonality of Kerala tourism is from September to May. But the local people who are engaged in tourism related job marked it in a different way. It is shown in the table 4.30. The seasonality is different across different tourism spots.

Table 4.30: Tourism Seasonality (in percentage)

| Season | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------------|----------------|---------------|-----------------|-----------------|--------------|
| December-March | 0.0 | 0.0 | 0.0 | 100.0 | 25.0 |
| November-June | 0.0 | 0.0 | 100.0 | 0.0 | 25.0 |
| November-March | 70.0 | 0.0 | 0.0 | 0.0 | 17.5 |
| October-March | 28.0 | 0.0 | 0.0 | 0.0 | 7.0 |
| September-June | 2.0 | 100.0 | 0.0 | 0.0 | 25.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

In Vembanad all the respondents opined that the tourism seasonality ranges from December to March, in Thekkady it is from November to June and in Munnar from September to June. But in Kovalam people are of in different opinion that majority opined it is from November to March (i.e., 70 per cent). So the remaining time is referred as off season.

Development of a locality is mainly depends upon its natural resources. So the economic activity of a place is affected greatly when it became a tourist destination. All these four sample destinations became famous and economically progress due to the tourism. But important question is availability of alternative facilities available in the destination in the absence of tourism. Their responses are given in the table 4.31:

Table 4.31: Alternative Facilities in the Absence of Tourism (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------|---------|--------|----------|----------|-------|
| Yes | 15.0 | 45.0 | 53.0 | 86.0 | 49.8 |
| No | 85.0 | 55.0 | 47.0 | 14.0 | 50.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

From table 4.31 it is understood that 50.2 per cent admitted that without tourism there is no alternative for the development of their destination, especially in Kovalam (86 per cent). But 49.8 have the view that in the absence of tourism there are alternatives like agriculture, fishing and plantation. It means that people are who are employed here and engaged in tourism induced jobs are solely dependent on tourism. Therefore, the up and down in tourism may seriously affect their livelihood. Destination wise details of the alternative facilities can be understood from table (4.32):

Table 4.32: Alternative Options for Local Development (in percentage)

| Alternative facilities | Kovalam | Munnar | Thekkady | Vembanad | Total |
|------------------------|---------|--------|----------|----------|-------|
| Agriculture | 0.0 | 0.0 | 100.0 | 100.0 | 69.85 |
| Fishing | 100.0 | 0.0 | 0.0 | 0.0 | 7.54 |
| Plantation | 0.0 | 100.0 | 0.0 | 0.0 | 22.61 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Here 69.85 per cent are of the opinion that in the absence of tourism there is a scope for agriculture especially in Thekkady and Vembanad. Likewise 22.61 opined for plantation in Munnar. But only 7.54 argued for fishing. So the scope for development of the locality due to the progress of tourism is significant in the destination. As a result 82.5 per cent of them are willing to encourage their friends and relatives to be a part of tourism job. It is shown in the table (4.33):

Table 4.33: Encourage Friends and Relatives to Tourism Related Job (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------------|----------------|---------------|-----------------|-----------------|--------------|
| Yes | 59.0 | 96.0 | 95.0 | 80.0 | 82.5 |
| No | 41.0 | 4.0 | 5.0 | 20.0 | 17.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

4.2.3) Economic Impact Assessment

Here the economic impact is assessed by analysing the opinions of the local people with the help of economic impact assessment scale. The variables considered for assessing the economic impact includes employment, income, infrastructure, local industry, standard of living and regional development. Here the variables income and employment are analysed.

4.2.3.1) Employment

Turner & Sears (2014) state that the travel and tourism sector is a leading creator of employment throughout the world, directly employing more than 98 million people (by 2013) and representing around 3 per cent of total world employment, and indirectly creating one out of every eleven jobs (Alberto, 2014). WTTC (2014) estimates of the total contribution to employment (both direct and indirect) place the sector's contribution at around 266 million jobs in 2013. WTTC report 2013 states that tourism contributes

- 5 times the employment of the automotive industry
- 5 times as many jobs as global chemical industry
- 4 times the jobs of the global mining industry
- Twice as many jobs as in the global communications sector and
- 15 per cent more jobs than in the global financial service sector

A study by Vellas in 2011, states that the indirect effects of tourism on employment can also be significant. In India indirect jobs created by tourism accounted for 1.6 per cent of total employment in 2011 (Alberto, 2014). The direct contribution of tourism to total employment in India in 2013 was 4.8 per cent and the total contribution was 7.7 per cent (WTTC, 2014). Tourism generates direct and indirect employment in the economy. Hotels and accommodation units, travel agencies and transportation are included in the direct employment category. On the other hand indirect employment category includes construction, manufacturing and telecommunications. At present tourism contribute 37315000 jobs i.e., 8.7 percent of the total employment of the country (Economic Review,

2016). Tourism in Kerala has vast potential for employment. An important feature of tourism employment in the state is that it generates employment in proportion to the investment made in this sector. It generated over 14 lakh jobs (23.52 per cent of the total employment) in Kerala (Regional Tourism Satellite Account for Kerala and Madhya Pradesh 2009-10, Economic Review 2016). Tourism employment is significant for the economy because of its employability of large number of women, unskilled workers, skilled labourers and educated and uneducated workers.

Table 4.34: Contribution of Tourism Sector to Total Employment between 2009 and 2012 (in per cent)

| Share in Employment | | | |
|---------------------|---------------|----------------------------|--------------|
| Country/State | Direct Impact | Indirect + Indirect Impact | Total Impact |
| India | 4.4 | 5.8 | 10.2 |
| Kerala | 9.9 | 13.6 | 23.5 |

Source: Ministry of Tourism, Government of India; Economic Review, 2016

The table 4.35 explains the percentage of tourism related customers out of total customers.

Table 4.35: Tourism Related Customers (in percentage)

| Tourism related Customers | Kovalam | Munnar | Thekkady | Vembanad | Total |
|---------------------------|---------|--------|----------|----------|-------|
| Below 20 | 0.0 | 4.0 | 0.0 | 0.0 | 1.0 |
| 20-40 | 0.0 | 6.0 | 0.0 | 3.0 | 2.3 |
| 40-60 | 11.0 | 22.0 | 11.0 | 16.0 | 15.0 |
| 60-80 | 22.0 | 54.0 | 45.0 | 34.0 | 38.8 |
| 80-100 | 67.0 | 14.0 | 44.0 | 47.0 | 43.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

In the tourist destination we can distinguish two types of customers such as natives and visitors. From table 4.35 it is inferred that 43 per cent of the local people have 80-100 per cent of their customers from the tourism sector. Here Kovalam constitute highest proportion of 67 per cent. But in Munnar 54 per cent of local people have 60 to 80 per cent of their customers are tourists. Generally tourism is a labour-intensive industry. But 63.8 per cent of the local people marked it as equally oriented. The details are shown in the table 4.36:

Table 4.36: Type of Employment (in percentage)

| Type of Employment | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--|---------|--------|----------|----------|-------|
| Highly labour oriented | 23.0 | 7.0 | 6.0 | 3.0 | 9.8 |
| More labour oriented than capital oriented | 27.0 | 23.0 | 21.0 | 26.0 | 24.2 |
| Equally oriented | 49.0 | 65.0 | 72.0 | 69.0 | 63.8 |
| More capital oriented | 0.0 | 3.0 | 1.0 | 2.0 | 1.5 |
| Highly capital oriented | 1.0 | 2.0 | 0.0 | 0.0 | 0.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

By giving equal importance to labour and capital tourism provide an additional opportunity to employment generation. From table 4.37 it is understood that tourism generates additional employment opportunities moderately in the tourist business. About 62.3 per cent are of this opinion. Yet 19.5 per cent are of the view that the role to provide additional employment is very little.

Table 4.37: Additional Employment Opportunities in Business (in percentage)

| Additional Employment Opportunities | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------------------------------|---------|--------|----------|----------|-------|
| Not at all | 27.0 | 0.0 | 1.0 | 0.0 | 7.0 |
| Very little | 51.0 | 14.0 | 5.0 | 8.0 | 19.5 |
| Moderately | 18.0 | 73.0 | 73.0 | 85.0 | 62.3 |
| Considerably | 2.0 | 13.0 | 19.0 | 7.0 | 10.3 |
| Very much | 2.0 | 0.0 | 2.0 | 0.0 | 1.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Similarly in the case of locality also it provides moderate opportunity to the additional employment generation.

Table 4.38: Additional Employment Opportunities in Locality (in percentage)

| Additional Employment Opportunities | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------------------------------|---------|--------|----------|----------|-------|
| Not at all | 2.0 | 0.0 | 3.0 | 1.0 | 1.5 |
| Very little | 21.0 | 35.0 | 37.0 | 18.0 | 27.8 |

| | | | | | |
|--------------|-------|-------|-------|-------|-------|
| Moderately | 36.0 | 41.0 | 15.0 | 75.0 | 41.8 |
| Considerably | 18.0 | 21.0 | 26.0 | 6.0 | 17.8 |
| Very much | 23.0 | 3.0 | 19.0 | 0.0 | 11.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Another peculiarity that we can derive from the table 4.38 is that according to 27.8 per cent of the local people tourism has a capacity to generate additional employment in their locality. Similarly 43.5 per cent rated that in the absence of tourism there is a moderate availability of alternative sources of employment in their locality. It is, clear from the table 4.39:

Table 4.39: Alternative Sources of Employment (in percentage)

| Alternative Sources | Kovalam | Munnar | Thekkady | Vembanad | Total |
|---------------------|---------|--------|----------|----------|-------|
| Not at all | 5.0 | 0.0 | 0.0 | 0.0 | 1.3 |
| Very little | 53.0 | 63.0 | 29.0 | 3.0 | 37.0 |
| Moderately | 29.0 | 29.0 | 47.0 | 69.0 | 43.5 |
| Considerably | 12.0 | 8.0 | 16.0 | 28.0 | 16.0 |
| Very much | 1.0 | 0.0 | 8.0 | 0.0 | 2.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

When compared to the previous years, tourism increased the proportion of demand of man power in the locality. Nearly half of the people said that the rate of increase is in a moderate level. But from table 4.40 it is known that 39.3 per cent are of the opinion that the demand of man power in the locality as a result of tourism is very low.

Table 4.40: Demand of Man Power (in percentage)

| Demand | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| Very low | 7.0 | 0.0 | 1.0 | 0.0 | 2.0 |
| Low | 58.0 | 40.0 | 33.0 | 26.0 | 39.3 |
| Moderate | 32.0 | 59.0 | 37.0 | 68.0 | 49.0 |
| High | 1.0 | 1.0 | 28.0 | 6.0 | 9.0 |
| Very high | 2.0 | 0.0 | 1.0 | 0.0 | 0.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Tourism generates different types of impact upon the local economies employment generation. From the above discussion we can understand that tourism have some influence upon the economy like highest proportion of tourist customers, giving equal importance to labour and capital, additional employment opportunity in the locality, changing unskilled labour into skilled and increase in the manpower availability in the tourism sector. From the table 4.41 we can understand that tourisms' impact up on the employment generation is graded as good by 36.5 per cent of the local people.

Table 4.41: Impact upon Employment Generation (in percentage)

| Impact | Kovalam | Munnar | Thekkady | Vembanad | Total |
|---------------|----------------|---------------|-----------------|-----------------|--------------|
| Poor | 16.0 | 0.0 | 0.0 | 0.0 | 4.0 |
| Satisfactory | 37.0 | 14.0 | 0.0 | 20.0 | 17.8 |
| Moderate | 7.0 | 48.0 | 15.0 | 73.0 | 35.8 |
| Good | 28.0 | 38.0 | 73.0 | 7.0 | 36.5 |
| Excellent | 12.0 | 0.0 | 12.0 | 0.0 | 6.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

There is a positive impact upon the employment generation in the economy by the tourism sector. Consequently, both of these direct and indirect employments together have a positive impact upon the economy.

Table 4.42: Total Score Analysis of Employment Variable

| Sub Variables | Mean | S D | Variance | Rank |
|---|-------------|------------|-----------------|-------------|
| Tourism related customers | 1.00 | 0.00 | 0.00 | 7 |
| Type of Employment | 7.25 | 0.96 | 0.92 | 1 |
| Additional Employment Opportunities in Business | 5.00 | 2.00 | 4.00 | 4 |
| Additional Employment Opportunities in Locality | 4.25 | 1.50 | 2.25 | 5 |
| Conversion of Skill | 3.25 | 1.26 | 1.58 | 6 |
| Alternative Sources of Employment | 5.25 | 2.50 | 6.25 | 3 |
| Demand for Manpower | 6.75 | 0.50 | 0.25 | 2 |

Source: Compiled using Primary Survey

The total score analysis for the employment variable shows that, tourism related customers is the dominant factor for the development of their locality. And the least affecting variable is type of employment. The group score analysis also showed that in all the destinations the percentage of tourism related customers is the factor which has the foremost influence on employment. Spearman's rank correlation was calculated in order to study the degree of relationship among the four different destinations. The consolidated ranking of the four destinations are given in the table 4.43:

Table 4.43: Ranking of Employment Variable

| Variables | Kovalam | Munnar | Thekkady | Vembanad |
|---|---------|--------|----------|----------|
| Tourism related customers | 1 | 1 | 1 | 1 |
| Type of Employment | 7 | 6 | 8 | 8 |
| Additional Employment Opportunities in Business | 8 | 4 | 4 | 4 |
| Additional Employment Opportunities in Locality | 3 | 5 | 3 | 6 |
| Conversion of Skill | 2 | 3 | 5 | 3 |
| Alternative Sources of Employment | 5 | 8 | 6 | 2 |
| Demand for Man power | 6 | 7 | 7 | 7 |

Source: Compiled using Primary Survey

Using these rankings Spearman's Rank Correlation is calculated

Table 4.44: Rank Correlation of Employment

| | Kovalam | Munnar | Thekkady | Vembanad |
|----------|---------|--------|----------|----------|
| Kovalam | 1.000 | | | |
| Munnar | .571 | 1.000 | | |
| Thekkady | .619 | .810* | 1.000 | |
| Vembanad | .548 | .405 | .548 | 1.000 |

Source: Compiled using Primary Survey

The highest correlation is between Munnar and Thekkady (0.810) and lowest is between Munnar and Vembanad (0.405).

The Kendall's Coefficient of Concordance that is Kendall's W usually known as Coefficient of Concordance is calculated to investigate the degree of concordance between the different rankings by using the following formula:

$W = 12S \div m^2N (N^2-1)$. Its value lies between zero and one.

Where,

W= Coefficient of Concordance

S= sum of squared deviations of the actual sums from their mean

N= number of items

M= total number of rankings

Kendall's Coefficient of Concordance used for assessing agreement among raters. Kendall's W ranges from 0 (no agreement) to 1 (complete agreement). Intermediate values of W indicate a greater or lesser degree of unanimity among the various responses.

The Coefficient of Concordance for employment variable is

$$W = 12 \times 433.43 \div 5^2 \times 7 (7^2-1) \\ = 0.619.$$

Here the calculated value shows that there is an average concordance between the various ranks.

4.2.3.2) Income

Tourist expenditure generates income and it stimulates investment which is necessary to finance growth of a country. Kerala tourism generated 26689.63 crore in 2015. It shows an increasing rate of 7.25 per cent. The compound annual growth of tourist arrival during the last decade shows a rate of 11.33 per cent. But the annual growth rate of tourism income from 2005 to 2015 shows fluctuating trend and a declining trend from 12.22 per cent in 2013 to 7.25 per cent by 2015. In the sample destinations we can see that 42 per cent have 60-80 per cent of their income from tourism. Yet in Kovalam 45 per cent have above 80 of their income from tourism. It is shown in the table 4.45:

Table 4.45: Percentage of Tourism Income with Reference to Total Income (in percentage)

| Income | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------|---------|--------|----------|----------|-------|
| Below 20 | 1.0 | 7.0 | 1.0 | 2.0 | 2.8 |
| 20-40 | 3.0 | 3.0 | 0.0 | 4.0 | 2.5 |
| 40-60 | 23.0 | 39.0 | 19.0 | 30.0 | 27.8 |
| 60-80 | 28.0 | 42.0 | 49.0 | 49.0 | 42.0 |
| Above 80 | 45.0 | 9.0 | 31.0 | 15.0 | 25.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

But the people are investing a share of their income to tourism related activities. That is, only one person from Munnar have reinvested above 80 per cent of his income. But 61 per cent have reinvested 40 -60 per cent of their income (table 4.46).

Table 4.46: Reinvestment in Tourism (in percentage)

| Reinvestment | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------|---------|--------|----------|----------|-------|
| Below 20 | 11.0 | 17.0 | 13.0 | 19.0 | 15.0 |
| 20-40 | 31.0 | 10.0 | 7.0 | 13.0 | 15.3 |
| 40-60 | 50.0 | 68.0 | 61.0 | 65.0 | 61.0 |
| 60-80 | 8.0 | 4.0 | 19.0 | 3.0 | 8.5 |
| Above 80 | 0.0 | 1.0 | 0.0 | 0.0 | 0.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Likewise, the opinion regarding the shifting of investment from conventional methods to tourism related avenues, considering it as more profitable is also enquired. But the percentage of persons who highly shifted their investment from conventional methods to tourism related avenues, considering it as more profitable is very low that is only 5.3 per cent.

Table 4.47: Extent of Investment Shifted (in percentage)

| Extent | Kovalam | Munnar | Thekkady | Vembanad | Total |
|------------|---------|--------|----------|----------|-------|
| Not at all | 11.0 | 11.0 | 4.0 | 6.0 | 8.0 |
| A little | 6.0 | 56.0 | 38.0 | 54.0 | 52.0 |
| Moderately | 25.0 | 31.0 | 48.0 | 35.0 | 34.8 |
| Highly | 4.0 | 2.0 | 10.0 | 5.0 | 5.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The infrastructural development of a place has influence upon the income generation of the people especially in the tourist spots. That is the ability of the national economy to benefit from tourism depends on the availability of investment to develop the necessary infrastructure and on its ability to supply the needs of tourists (Agaraj & Murati, 2009). 46.3 per cent (i.e., 78 per cent from Vembanad itself) argued that the infrastructural development of their locality moderately affected their income. This is expressed in the table 4.48:

Table 4.48: Influence of Infrastructural Development (in percentage)

| Influence | Kovalam | Munnar | Thekkady | Vembanad | Total |
|------------------|----------------|---------------|-----------------|-----------------|--------------|
| Not at all | 3.0 | 2.0 | 0.0 | 1.0 | 1.5 |
| A little | 47.0 | 27.0 | 0.0 | 6.0 | 20.0 |
| Moderately | 30.0 | 64.0 | 13.0 | 78.0 | 46.3 |
| Highly | 13.0 | 7.0 | 80.0 | 15.0 | 28.8 |
| Very highly | 7.0 | 0.0 | 7.0 | 0.0 | 3.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The local people are asked to rank the infrastructural facilities such as road transportation, electricity, telecommunication, buildings and shopping complex, water transport and waste treatment which affected their tourism income. So they ranked road transportation as the first by 31.3 per cent and buildings/ shopping complex by 38 per cent (table 4.49).

Table 4.49: Infrastructural Facilities in the Locality which affected Income (in percentage)

| Infrastructural facilities | Ranking | | | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 1st | 2nd | 3rd | 4th | 5th | 6th |
| Road transportation | 31.3 | 39.3 | 18.5 | 9.0 | 1.8 | 0.3 |
| Electricity | 8.0 | 23.3 | 40.3 | 19.5 | 7.8 | 1.3 |
| Telecommunications | 2.0 | 14.8 | 22.0 | 44.0 | 12.5 | 4.7 |
| Buildings or shopping complex | 38.0 | 13.0 | 10.5 | 15.8 | 19.0 | 3.8 |
| Water transportation | 16.0 | 3.5 | 5.3 | 3.3 | 26.0 | 46.0 |
| Waste treatment | 4.8 | 6.3 | 3.5 | 8.5 | 33.0 | 44.0 |

Source: Primary Survey

The total score of infrastructural facilities also shows that road transportation have the highest score and mean rank (table 4.50).

Table 4.50: Total Score and Mean Rank of Infrastructural Facilities

| Infrastructural facilities | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|-----------------------------------|--------------------|------------------------|------------------|--------------------------|
| Road transportation | 1954 | 400 | 4.885 | 5.115 |
| Electricity | 1602 | 400 | 4.005 | 5.995 |
| Telecommunications | 1342 | 400 | 3.355 | 6.645 |
| Buildings/shopping complex | 1696 | 400 | 4.24 | 5.76 |
| Water transportation | 969 | 400 | 2.4225 | 7.5775 |
| Waste treatment | 837 | 400 | 2.0925 | 7.9075 |

Source: Compiled from primary data

The income generated from tourism also depends upon the spending habits of the tourists. The major share of their spending is constituted by shopping including jewellery, clothing, gadgets, luxury watches and wine/spirits, hotel bills, meals outside hotel, entertainment and sightseeing. Local people are of the opinion that this spending pattern is greatly influenced by the nationality of the tourists (58.5 per cent). Out of these 58.5 per cent, 35.47 per cent are of them opined that their income is moderately influenced by the spending habits of the tourists (table 4.51).

Table 4.51: Extend of Influence (in percentage)

| Extend of Influence | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------------------------|----------------|---------------|-----------------|-----------------|--------------|
| Not at all | 4.23 | 0.0 | 0.0 | 1.67 | 1.71 |
| A little | 28.17 | 64 | 5.66 | 31.67 | 31.62 |
| Moderately | 12.68 | 36 | 62.26 | 38.33 | 35.47 |
| Highly | 29.58 | 0.0 | 32.08 | 28.33 | 23.50 |
| Very highly | 25.35 | 0.0 | 0.0 | 0.0 | 7.69 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The total score analysis for the variable income shows that, percentage of tourism income with reference to total income is the leading factor for the development of their locality.

The group score analysis also showed that in beaches, backwaters, hill stations and wild life sanctuaries the percentage of tourism income with reference to total income is the factor which have the prime influence on income.

Spearman's rank correlation was calculated in order to study the degree of relationship among the four different destinations. The consolidated ranking of the four destinations are given in the table 4.52:

Table 4.52: Ranking of Income Variable

| Variables | Kovalam | Munnar | Thekkady | Vembanad |
|------------------------------------|---------|--------|----------|----------|
| Tourism income | 1 | 1 | 1 | 1 |
| Reinvestment | 3 | 3 | 3 | 3 |
| Extent of investment shifted | 5 | 4 | 4 | 4 |
| Influence of Infrastructure | 2 | 2 | 2 | 2 |
| extend of influence of nationality | 4 | 5 | 5 | 5 |

Source: Compiled using Primary Survey

Using these rankings Spearman's Rank Correlation is calculated

Table 4.53: Rank Correlation of Income

| | Kovalam | Munnar | Thekkady | Vembanad |
|----------|-------------------|---------------------|---------------------|----------|
| Kovalam | 1.000 | | | |
| Munnar | .900 [*] | 1.000 | | |
| Thekkady | .900 [*] | 1.000 ^{**} | 1.000 | |
| Vembanad | .900 [*] | 1.000 ^{**} | 1.000 ^{**} | 1.000 |

Source: Compile by the researcher

There exists perfect correlation (1.0) between Munnar -Thekkady, Munnar- Vembanad and Thekkady – Vembanad. Kovalam-Munnar, Thekkady-Kovalam and Vembanad –Kovalam represent high degree correlation that is the value is 0.9.

The Coefficient of Concordance for income variable is calculated as 0.616. Here the calculated value shows that there is above average concordance between the various ranks. The calculation of correlation shows that income and employment variable are highest among the combination of Munnar and Thekkady.

4.2.3.3) Standard of Living

Tourism improves the public utilities like water, drainage facilities, sanitation facilities, transportation and health care. All these together with the increased income and employment contribute to the better standard of living of the natives. Thus the role of tourism may on the standard of living of the people is significant. All persons (100 per cent) are of the opinion that tourism affected the standard of living of the local people. The ways in which tourism

changed the standard of living of the people include dressing, food habits, communication skill and consumption pattern, mode of living, attitude of the people towards the society and humanity and others. 48 per cent are of the view that as a result of tourism the attitude of the people has changed and thereby they ranked it as first. The total score and mean rank of standard of living also shows that attitude of the people the people have changed as a result of tourism.

Table 4.54: Total Score and Mean Rank of Indicators of Standard of Living

| Indicators of Standard of Living | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---|--------------------|------------------------|------------------|--------------------------|
| Dressing | 1466 | 400 | 3.67 | 6.34 |
| Food Habits | 1540 | 400 | 5.35 | 4.65 |
| Communication Skill | 2141 | 400 | 5.35 | 4.65 |
| Consumption Pattern | 1891 | 400 | 4.73 | 5.27 |
| Mode of Living | 1690 | 400 | 5.03 | 4.97 |
| Attitude of the People | 2011 | 400 | 5.03 | 4.97 |
| Others | 465 | 400 | 1.16 | 8.84 |

Source: Compiled using Primary Survey

The overall opinion about the extent of tourism changed the standard of living of the people is measured. About 42.8 per cent opined it as high and 45.5 per cent graded it as very high (table 4.55). Thus we can say that the role of tourism to change the standard of living of the people is significant.

Table 4.55: Extent of Tourism Changed Standard of Living of the Natives (in percentage)

| Extent | Kovalam | Munnar | Thekkady | Vembanad | Total |
|---------------|----------------|---------------|-----------------|-----------------|--------------|
| Very low | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Low | 3.0 | 1.0 | 0.0 | 0.0 | 1.0 |
| Moderate | 14.0 | 0.0 | 28.0 | 0.0 | 10.5 |
| High | 33.0 | 47.0 | 66.0 | 25.0 | 42.8 |
| Very high | 49.0 | 52.0 | 6.0 | 75.0 | 45.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

In the same way, tourism has affected the way of living and attitude of the people. Interactions with the people who are coming from a different social and cultural environment have changed the people.

Table 4.56: Changes in the Way of Living and Attitude of the People (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| Very low | 4.0 | 3.0 | 0.0 | 1.0 | 2.0 |
| Low | 13.0 | 0.0 | 0.0 | 0.0 | 3.25 |
| Moderate | 26.0 | 0.0 | 0.0 | 0.0 | 6.5 |
| High | 42.0 | 58.0 | 72.0 | 82.0 | 63.5 |
| Very high | 15.0 | 39.0 | 28.0 | 17.0 | 24.75 |

Source: Primary Survey

63.5 per cent of them have responded that tourism had changed the way of living and attitude of the people (table 4.56). Likewise the role of tourism to remove poverty is also considerable. So 100 per cent are of the view that tourism helped to remove poverty in their locality. The main argument is that tourism provides an opportunity to all especially the uneducated and unskilled into enter into the labour market and there by earn their means. The ways in which tourism helped to earn livelihood to local people include trading of local products and services, providing tour-guide services, developing local tourists' attractions, marketing cultural products and providing local foods. Providing local food is a best way for the local uneducated having less investments. Especially in Vembanad we can see the locals who supply fish curry and tapioca, toddy and pearl spot fry (karimeen pollichathu) to the tourists. The role of marketing cultural products is very low because it needs training and other experiences. But the roles of cultural artists are increasing especially in house boats. The rankings of the tourism related factors which helped to remove poverty are shown in the table 4.57:

Table 4.57: Ranking of the Tourism Related Factors which Helped to Remove Poverty (in percentage)

| Indicators | Ranking | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1 st | 2 nd | 3 rd | 4 th | 5 th |
| Trading of local products and services | 61.5 | 12.0 | 11.5 | 10.5 | 4.5 |

| | | | | | |
|--|------|------|------|------|------|
| Providing tour-guide services | 6.8 | 43.5 | 17.5 | 14.5 | 17.8 |
| Developing local tourists' attractions | 5.8 | 12.5 | 14.3 | 13.3 | 54.3 |
| Marketing cultural products | 8.5 | 12.3 | 34.0 | 29.3 | 16.0 |
| Providing local foods | 17.5 | 20.0 | 22.8 | 32.5 | 7.3 |

Source: Primary Survey

But the intensity of tourism's role to eradicate poverty is different. 49.3 are of the view that the role of tourism is high (92 per cent from Thekkady itself are of this opinion) and 44.3 is of moderate (99 per cent from Vembanad). It is expressed in the table 4.58.

Table 4.58: Extent of Tourism's Role to Remove Poverty (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| No role | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Low | 3.0 | 0.0 | 0.0 | 0.0 | 0.8 |
| Moderate | 31.0 | 43.0 | 4.0 | 99.0 | 44.3 |
| High | 47.0 | 57.0 | 92.0 | 1.0 | 49.3 |
| Very high | 18.0 | 0.0 | 4.0 | 0.0 | 5.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Tourism also provides an opportunity to the cultural change of the local people due to interpersonal relationship with the tourists. But majority (49 per cent) considered the role of tourism as low. But 33 per cent are of the view that it is moderate (table 4.59).

Table 4.59: Cultural Change due to Interpersonal Relationship with the Tourists (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| Very low | 3.0 | 1.0 | 0.0 | 0.0 | 1.0 |
| Low | 49.0 | 52.0 | 6.0 | 75.0 | 45.5 |
| Moderate | 33.0 | 47.0 | 66.0 | 25.0 | 42.8 |
| High | 14.0 | 0.0 | 28.0 | 0.0 | 10.5 |
| Very high | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Likewise incoming of the tourists especially the foreign tourists provide an opportunity to implement modern amenities in the local area. 89.8 are of the view that tourism provided modern amenities in their area compared to nearby places. The important of them are better transportation facilities, electricity without fail, improvement in the constructions, increased shopping facilities, branded products, frequent maintenance of the road, better waste disposal facilities and advanced technology.

The total score and mean rank shows that the local people preferred better transportation as the most important one (table 4.60).

Table 4.60: Total score and mean Rank of Amenities

| Amenities | Total Score | Number of ranks | Mean Rank | Mean Choice Score |
|----------------------------------|--------------------|------------------------|------------------|--------------------------|
| Better transportation | 2511 | 400 | 6.2775 | 3.7225 |
| Electricity without fail | 2068 | 400 | 5.17 | 4.83 |
| Improvement in the constructions | 2097 | 400 | 5.2425 | 4.7575 |
| Increased shopping facilities | 2321 | 400 | 5.8025 | 4.1975 |
| Branded products | 887 | 400 | 2.2175 | 7.7825 |
| Frequent maintenance of the road | 1440 | 400 | 3.6 | 6.4 |
| Better waste disposal facilities | 1851 | 400 | 4.6275 | 5.3725 |
| Advanced technology | 1258 | 400 | 3.145 | 6.855 |

Source: Compiled using Primary Survey

So the provision of modern amenities as a result of tourism can be seen in each destination. But the extent of its use is differing. Majority of them considered the extent as moderate (45.3 per cent) (table 4.61).

Table 4.61: Extent of the Uses of Modern Amenities in Tourist Centres (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------------|----------------|---------------|-----------------|-----------------|--------------|
| Very low | 4.0 | 3.0 | 0.0 | 1.0 | 2.0 |
| Low | 42.0 | 39.0 | 0.0 | 17.0 | 24.5 |
| Moderate | 13.0 | 58.0 | 28.0 | 82.0 | 45.3 |
| High | 26.0 | 0.0 | 72.0 | 0.0 | 24.5 |
| Very high | 15.0 | 0.0 | 0.0 | 0.0 | 3.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The total score analysis for the variable standard of living shows that, how far tourism helped to remove poverty of their locality is the leading factor for the development of their locality. The group score analysis also showed that in Kovalam, Munnar, Thekkady and Vembanad the factor how far tourism helped to remove poverty of their locality have the prime influence on standard of living.

Spearman's rank correlation was calculated in order to study the degree of relationship among the four different destinations. The consolidated ranking of the four destinations are given in the table 4.62.

Table 4.62: Ranking of Standard of Living Variable

| Variables | Kovalam | Munnar | Thekkady | Vembanad |
|---|---------|--------|----------|----------|
| Change in the Standard of living | 1 | 1 | 3 | 1 |
| Change in the Mode of Living and Attitude | 3 | 2 | 1 | 2 |
| Removal of Poverty | 2 | 3 | 2 | 3 |
| Cultural Change | 5 | 5 | 5 | 5 |
| Use of Modern Amenities | 4 | 4 | 4 | 4 |

Source: Compiled using Primary Survey

Using these rankings Spearman's Rank Correlation is calculated

Table 4.63: Rank Correlation of Standard of Living

| | Kovalam | Munnar | Thekkady | Vembanad |
|----------|---------|---------|----------|----------|
| Kovalam | 1.000 | | | |
| Munnar | .900* | 1.000 | | |
| Thekkady | .600 | .700 | 1.000 | |
| Vembanad | .900* | 1.000** | .700 | 1.000 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Compiled using Primary Survey

Here among the destinations there exists perfect positive correlation (1.0) between Munnar - Vembanad. On the other hand the lowest correlation is existed between Thekkady-Kovalam (0.600).

The Coefficient of Concordance for standard of living variable is calculated as 0.544. The calculated value shows that there is average concordance between the various ranks.

4.3) CONCLUSION

Tourism is an intermingling of people from different social, cultural, economic and political backgrounds. As a result these benefits are accrued by not only the visitors but also by the natives. The impacts of tourism depend on the volume of tourists arrived, type tourism activity available in the tourist destination, social and cultural characteristics of both the local and tourists and the feebleness of the environment. Here the income, employment and standard of living of the people which are directly related to tourism are discussed. Thus the ongoing analysis of the economic impact created upon the Kerala economy on income, employment and standard of living shows a positive result. Infrastructure, local industry, standard of living and regional development are indirectly related to tourism and are discussed in the next session.

CHAPTER 5

IMPACT OF TOURISM ON REGIONAL ECONOMIES: ANALYSIS OF INFRASTRUCTURE, LOCAL INDUSTRY AND REGIONAL DEVELOPMENT

5.1) INTRODUCTION

Economic impact assessment of income, employment and standard of living reveals the direct effect of tourism on the local economy. There are some other factors which are not directly related tourism impact. These variables are infrastructure, local industry and regional development. The primary survey results in terms of these variables are discussed in this chapter. For that group score analysis, total score analysis, Spearman's Rank Correlation, the Coefficient of Concordance and one sample t test are used.

5.2) INFRASTRUCTURE

The role of infrastructure development is very crucial to the development of tourism. Because the satisfaction on the part of the tourists is mainly depends upon the facilities like transportation facilities, waste management facilities, recreational facilities and healthcare facilities. So the present Indian government recognised the importance of infrastructural facilities and introduced a series of schemes like PRASAD, HRIDAY and Swadesh Darshan. The development of infrastructure of a tourist destination and the intensity of tourism are positively related. As a result the development of a locality is connected with the development of the infrastructure facilities of that region. Becoming a tourist destination the chances for improvement in the infrastructure is higher. Here 49.8 per cent of the local people are of the opinion that tourism helped to develop infrastructural facilities of their region moderately especially from Vembanad (99 per cent) and Munnar (78 per cent). In the case of Kovalam 30 per cent are of the opinion that tourism helped infrastructure very highly (table 5.1).

Table 5.1: Development of Infrastructure as a Result of Tourism (in percentage)

| Development of Infrastructure | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------------------------------|----------------|---------------|-----------------|-----------------|--------------|
| A little | 36.0 | 17.0 | 0.0 | 1.0 | 13.5 |
| Moderately | 17.0 | 78.0 | 5.0 | 99.0 | 49.8 |
| Highly | 17.0 | 4.0 | 94.0 | 0.0 | 28.8 |
| Very highly | 30.0 | 1.0 | 1.0 | 0.0 | 8.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

As a result there is considerable difference in the infrastructure facilities of the sample destinations with the neighbouring places' development. Here 48.5 per cent admitted that there is considerable difference in the development of infrastructure facilities in their locality when compared to other areas as a result of tourism (table 5.2).

TABLE 5.2: Difference in the Development of Infrastructure Facilities in the Locality Compared to Other Areas (in percentage)

| Difference | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------------|----------------|---------------|-----------------|-----------------|--------------|
| Very little | 25.0 | 18.0 | 0.0 | 3.0 | 11.5 |
| Moderately | 7.0 | 17.0 | 88.0 | 2.0 | 28.5 |
| Considerably | 28.0 | 65.0 | 6.0 | 95.0 | 48.5 |
| Very much | 40.0 | 0.0 | 6.0 | 0.0 | 11.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 400.0 |

Source: Primary Survey

Development of infrastructure is also connected with the generation of employment in that locality. Infrastructure alone will not solve the employment problem in the region, but infrastructure investments can play a significant role in efforts to create jobs in the region (Estache et.al, 2013). Especially the transport infrastructure has a significant role to progress the employment opportunities in any area. Above 64 per cent of the local people graded the role of tourism to create employment opportunities as above satisfactory. Out of these 34.3 per cent of them graded it as good (table 5.3).

TABLE 5.3: Creation of Jobs to Local People because of Infrastructure Development as a Result of Tourism (in percentage)

| Creation of Jobs | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------------------|----------------|---------------|-----------------|-----------------|--------------|
| Poor | 19.0 | 3.0 | 0.0 | 0.0 | 5.5 |
| Satisfactory | 36.0 | 40.0 | 0.0 | 35.0 | 27.8 |
| Moderate | 11.0 | 33.0 | 4.0 | 64.0 | 28.0 |
| Good | 28.0 | 24.0 | 84.0 | 1.0 | 34.3 |
| Excellent | 6.0 | 0.0 | 12.0 | 0.0 | 4.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Likewise 99.5 per cent strongly argued that infrastructural development is a must for the development of their locality. Out of these 398 persons opined infrastructural development is must for the locality 50.50 per cent argued its extent is very much and 31.91 argued that its role is moderate. It is shown in the table 5.4:

Table 5.4: Extent of Infrastructural Development for the Development of the Locality (in percentage)

| Extent | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------|---------|--------|----------|----------|-------|
| Very little | 7.0 | 7.07 | 0.0 | 3.03 | 4.27 |
| Moderately | 25.0 | 10.10 | 88.0 | 4.04 | 31.91 |
| Considerably | 28.0 | 17.17 | 6.0 | 2.02 | 13.32 |
| Very much | 40.0 | 65.65 | 6.0 | 90.90 | 50.50 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

Finally, they expressed their overall opinion about the impact of tourism on infrastructure as moderate (by exactly 50 per cent) and 8.5 per cent considered it as vey high (table 5.5).

Table 5.5: Impact on Infrastructure (in percentage)

| Impact | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| Low | 31.0 | 18.0 | 0.0 | 1.0 | 12.5 |
| Moderate | 22.0 | 82.0 | 1.0 | 95.0 | 50.0 |
| High | 16.0 | 0.0 | 96.0 | 4.0 | 29.0 |
| Very high | 31.0 | 0.0 | 3.0 | 0.0 | 8.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The total score analysis for the variable infrastructure shows that, difference in the development of infrastructure facilities in the locality compared to other areas is the leading factor for the development of their locality. The group score analysis also showed that in beaches, backwaters and hill stations the difference in the development of infrastructure facilities in the locality compared to other areas is the factor which has the prime influence on infrastructure. But in wild life sanctuaries it is the creation of jobs to local people because of infrastructure development as a result of tourism.

Spearman's rank correlation was calculated in order to study the degree of relationship among the four different destinations. The consolidated ranking of the four destinations are given in the table 5.6:

Table 5.6: Ranking of Infrastructure Variable

| Variables | Kovalam | Munnar | Thekkady | Vembanad |
|-------------------------------|---------|--------|----------|----------|
| Development of Infrastructure | 4 | 3 | 4.5 | 4 |
| Difference in the development | 2 | 2 | 3 | 2 |
| Creation of jobs | 5 | 5 | 1 | 5 |
| Infrastructure is must | 1 | 1 | 4.5 | 1 |
| Overall impact | 3 | 4 | 2 | 3 |

Source: Compiled using Primary Survey

Using these rankings Spearman's Rank Correlation is calculated

Table 5.7: Rank Correlation of Infrastructure

| | Kovalam | Munnar | Thekkady | Vembanad |
|----------|---------|--------|----------|----------|
| Kovalam | 1.000 | | | |
| Munnar | .900* | 1.000 | | |
| Thekkady | -.564 | -.821 | 1.000 | |
| Vembanad | 1.000** | .900* | -.564 | 1.000 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Compiled using Primary Survey

Here among the destinations there exists perfect positive correlation (1.0) between Kovalam-Vembanad. On the contrary there exists negative correlation between Thekkady-Kovalam (-0.564), Thekkady – Vembanad (-0.564) and Munnar –Thekkady (-0.821).The Coefficient of Concordance for infrastructure variable is calculated as 0.23. So the calculated value shows that there is very low concordance between various ranks.

5.3) LOCAL INDUSTRY

Today tourists are attracted to a destination not only because of tourism products but also because of locally produced goods. So the chances for the development of local industries are existed within the tourist destination itself. The local and cottage industries of the particular

tourist destination get a boost from tourism development and there will be tremendous scope for improving and widening the local industries (Cyriac Mathew, 2002). So far tourism provides an opportunity to the local industries expansion by opening its door to the customers other than local people. Here in table 5.8 we can see the percentage of tourists coming because of the importance of local goods.

Table 5.8: Importance of Local Goods (in percentage)

| Importance | Kovalam | Munnar | Thekkady | Vembanad | Total |
|------------|---------|--------|----------|----------|-------|
| Very low | 18.0 | 27.0 | 2.0 | 26.0 | 18.3 |
| Low | 26.0 | 60.0 | 44.0 | 63.0 | 48.3 |
| Moderate | 33.0 | 13.0 | 16.0 | 8.0 | 17.5 |
| High | 22.0 | 0.0 | 38.0 | 3.0 | 15.8 |
| Very high | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary survey

The major ways for local industry expansion as a result of tourism includes new and enlarged market for their products, good recognition to their products especially from non Malayalees and there by exporting their products. Here 52.3 per cent ranked new and enlarged market for their products as first, 33.5 per cent ranked chances for exporting their products as a result of international recognition as second and use of innovative technology as third by 37.5 per cent and 34.8 per cent as fourth. The total score of development of local industry as a result of tourism shows that new and enlarged market for their products as the most preferred one.

Table 5.9: Total score and mean Rank of Development of Local Industry

| Development of Local Industry | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---|-------------|-----------------|-----------|-------------------|
| New and enlarged market for their products | 1288 | 400 | 3.22 | 6.78 |
| Good recognition | 863 | 400 | 2.1575 | 7.8425 |
| Use of innovative technology | 821 | 400 | 2.0525 | 7.9475 |
| Chances for exporting their products as a result of international recognition | 1029 | 400 | 2.5725 | 7.4275 |

Source: Compiled using Primary Survey

68.2 per cent are of the view that tourists preferred locally produced goods. Their choice of preference is tabulated in table 5.10:

Table 5.10: Choice of Preference (in percentage)

| Choice of Preference | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------------------|---------|--------|----------|----------|-------|
| Nil | 45.0 | 29.0 | 24.0 | 29.0 | 31.8 |
| Cloth | 2.0 | 0.0 | 2.0 | 0.0 | 1.0 |
| Food | 11.0 | 14.0 | 2.0 | 33.0 | 15.0 |
| Food, cloth | 3.0 | 0.0 | 0.0 | 0.0 | 0.8 |
| Food, handicraft | 8.0 | 8.0 | 1.0 | 11.0 | 7.0 |
| Food, handicraft, cloth | 3.0 | 0.0 | 0.0 | 0.0 | 0.8 |
| Food, handicraft, spices | 2.0 | 4.0 | 5.0 | 6.0 | 4.3 |
| Food, spices | 5.0 | 18.0 | 1.0 | 7.0 | 7.8 |
| Food, spices, cloth | 0.0 | 1.0 | 0.0 | 0.0 | 0.3 |
| Handicraft | 11.0 | 3.0 | 6.0 | 9.0 | 7.3 |
| Handicraft, cloth | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Handicraft, spices | 8.0 | 5.0 | 26.0 | 1.0 | 10.0 |
| Spices | 1.0 | 18.0 | 33.0 | 4.0 | 14.0 |

Source: Primary Survey

The highest choice is food (15 per cent), especially in Vembanad (33 per cent). Majority demands Kuttanadan Fish Curry. As a result tourism created an opportunity for the growth in the consumption of local industries' products. 45.3 per cent of the local people considered the growth in the consumption of local industries' products as a result of tourism as moderately (table 5.11).

Table 5.11: Opportunity for the Growth in the Consumption of Local Industries' Products (in percentage)

| Opportunity | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-------------|---------|--------|----------|----------|-------|
| Not at all | 31.0 | 16.0 | 12.0 | 10.0 | 17.3 |
| A little | 22.0 | 27.0 | 9.0 | 34.0 | 23.0 |
| Moderately | 25.0 | 57.0 | 45.0 | 54.0 | 45.3 |
| Highly | 22.0 | 0.0 | 34.0 | 2.0 | 14.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

In order to attract more customers the industrialists are differentiating their products. Here 74 per cent of the locals differentiated their products to attract more tourists. The major

differentiating techniques followed by the local industrialists include change their products into high quality products, giving attractive offers, put artistic design to the packing (especially Kerala culture), highlight the relation between tradition and importance of the locality to the products and finally canvassing (table 5.12).

Table 5.12: Differentiating Methods (in percentage)

| Differentiating Methods | Ranking | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1 st | 2 nd | 3 rd | 4 th | 5 th | 6 th |
| High quality | 21.5 | 13.0 | 16.0 | 13.8 | 8.5 | 1.3 |
| Attractive offers | 1.8 | 5.3 | 22.3 | 25.0 | 14.5 | 5.3 |
| Artistic design | 11.5 | 14.3 | 14.0 | 12.5 | 19.0 | 2.8 |
| Highlighting the tradition of the place | 4.0 | 26.8 | 9.0 | 8.8 | 21.3 | 4.3 |
| Canvassing | 4.0 | 14.0 | 8.8 | 8.8 | 5.5 | 3.0 |
| Others | 0.8 | 0.8 | 4.8 | 5.5 | 5.3 | 57.0 |

Source: Primary Survey

Differentiating methods are ranked by the locals according to their experience. 34 per cent followed canvassing, 21.5 per cent used high quality and 11.5 per cent put artistic design as their first method for capturing their market share. But their degree of product differentiation varies. 48.3 per cent moderately differentiated their products. Only one person from Kovalam very highly differentiated products (table 5.13).

Table 5.13: Extent of Local Industries Product Differentiation (in percentage)

| Extent | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| Very low | 33.0 | 13.0 | 16.0 | 8.0 | 17.5 |
| Low | 18.0 | 27.0 | 2.0 | 26.0 | 18.3 |
| Moderate | 26.0 | 60.0 | 44.0 | 63.0 | 48.3 |
| High | 22.0 | 0.0 | 38.0 | 3.0 | 15.8 |
| Very high | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The entry of new competitors into local industries to exploit tourism facilities is welcoming. Each of them is ready to welcome others into this area and there by enlarge the markets. 51 per cent opined that but its extent was low especially in Munnar (65 per cent) and moderate by 34.8 (table 5.14).

Table 5.14: Extent of New Entrants and Competitors in Local Industry of the Area in order to exploit Tourism Facilities (in percentage)

| Extent | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| Very low | 19.0 | 0.0 | 0.0 | 1.0 | 5.0 |
| Low | 35.0 | 65.0 | 34.0 | 70.0 | 51.0 |
| Moderate | 35.0 | 35.0 | 41.0 | 28.0 | 34.8 |
| High | 10.0 | 0.0 | 25.0 | 1.0 | 9.0 |
| Very high | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

The total score analysis for the variable local industry shows that, extent of tourism in the development of the local industry is the leading factor for the development of their locality. The group score analysis also show that in Kovalam, Munnar and Vembanad the extent of tourism in the development of the local industry is the factor which has the prime influence on local industry. In Thekkady it is the extent to which the local industries differentiate their products to attract tourism.

Spearman's rank correlation was calculated in order to study the degree of relationship among the four different destinations. Using these rankings Spearman's Rank Correlation is calculated

Table 5.15: Rank Correlation of Local Industry

| | Kovalam | Munnar | Thekkady | Vembanad |
|----------|---------|--------|----------|----------|
| Kovalam | 1.000 | | | |
| Munnar | 0.000 | 1.000 | | |
| Thekkady | .100 | .600 | 1.000 | |
| Vembanad | .400 | .900* | .700 | 1.000 |

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Compiled using Primary Survey

Here among the four destinations highest correlation (.900) is existed between Vembanad - Munnar and zero correlation exists between Kovalam -Munnar.

The Coefficient of Concordance for local industry variable is calculated as 0.376.

The calculated value shows that there is very low concordance between various ranks.

5.4) REGIONAL DEVELOPMENT

Regional development and tourism are closely connected. Tourism provides an opportunity to urban revitalisation and there by regional development. Promotion of tourism accelerates regional development. It reduces the impacts of regional imbalances due to shortage of natural resources (Cyriac Mathew, 2002). Here the local people are asked to answer whether they have seen any significant development to the indicators which lead to the regional development, during the last five years. So they responded in the following way (table 5.16).

Table 5.16: Change in the Development Indicators of Regional Development (in percentage)

| Development Indicators | Kovalam | Munnar | Thekkady | Vembanad | Total |
|---|---------|--------|----------|----------|-------|
| | Yes | Yes | Yes | Yes | Yes |
| Better standard of living of the people | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Economic empowerment | 97.0 | 100.0 | 100.0 | 100.0 | 99.3 |
| Social empowerment | 100.0 | 86.0 | 100.0 | 100.0 | 96.5 |
| Protection of cultural heritage | 89.0 | 19.0 | 99.0 | 88.0 | 73.8 |
| Effective environmental stewardships | 80.0 | 5.0 | 99.0 | 16.0 | 50.0 |
| Better infrastructural facilities | 56.0 | 43.0 | 94.0 | 78.0 | 67.8 |
| Better waste disposal facilities | 36.0 | 11.0 | 100.0 | 92.0 | 59.8 |
| Advanced technology | 56.0 | 18.0 | 98.0 | 95.0 | 66.8 |
| Better healthcare, housing and educational facilities | 67.0 | 9.0 | 99.0 | 86.0 | 65.3 |
| Local government interference and favourable policies | 30.0 | 6.0 | 99.0 | 3.0 | 34.5 |

Source: Primary Survey

As a result an altogether regional development is seen in the locality. This development was satisfactory to 29.8 percent; good to 27.5, moderate to 21.5 and excellent to 11.5 (table 5.17).

Table 5.17: Development of the Region during the Last Years (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------|---------|--------|----------|----------|-------|
| Poor | 30.0 | 9.0 | 0.0 | 0.0 | 9.8 |
| Satisfactory | 22.0 | 42.0 | 0.0 | 55.0 | 29.8 |
| Moderate | 4.0 | 43.0 | 1.0 | 38.0 | 21.5 |
| Good | 17.0 | 6.0 | 80.0 | 7.0 | 27.5 |
| Excellent | 27.0 | 0.0 | 19.0 | 0.0 | 11.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

When we compare the tourist destination to the nearby locality we can see that tourism have acted as a facilitator for the regional development compared to other neighbouring non tourist areas. Here it is moderate to 48.8 per cent (table 5.18).

Table 5.18: Facilitator for the Development of Tourist Area Compared to Neighbouring Areas (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|-----------|---------|--------|----------|----------|-------|
| Very low | 0.0 | 0.0 | 2.0 | 0.0 | 0.5 |
| Low | 41.0 | 9.0 | 20.0 | 0.0 | 17.5 |
| Moderate | 15.0 | 91.0 | 77.0 | 12.0 | 48.8 |
| High | 21.0 | 0.0 | 1.0 | 88.0 | 27.5 |
| Very High | 23.0 | 0.0 | 0.0 | 0.0 | 5.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

For the regional development the role of investment is very high. As a result of tourism we expect fresh capital from outside of the destination by taking it as more profitable. But here we can see that its extent is low to more than half of them i.e., to 51.3 per cent (table 5.19).

Table 5.19: Fresh Capital from Outside (in percentage)

| Response | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------|---------|--------|----------|----------|-------|
| Very low | 1.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Low | 51.0 | 60.0 | 28.0 | 66.0 | 51.3 |

| | | | | | |
|-------------|-------|-------|-------|-------|-------|
| Moderately | 27.0 | 40.0 | 40.0 | 34.0 | 35.3 |
| Highly | 19.0 | 0.0 | 32.0 | 0.0 | 12.8 |
| Very highly | 2.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

In the same way conversion of unskilled labour into skilled labour is also an indicator of the development. As a result due to the influence of tourism local unskilled people are converted themselves into skilled manpower to certain extent. The table 5.20 shows it in detail form.

Table 5.20: Conversion of Local Unskilled into Skilled (in percentage)

| Conversion | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------|---------|--------|----------|----------|-------|
| Very little | 11.0 | 1.0 | 0.0 | 3.0 | 3.8 |
| Moderately | 49.0 | 98.0 | 87.0 | 89.0 | 80.8 |
| Considerably | 25.0 | 1.0 | 12.0 | 8.0 | 11.5 |
| Very much | 15.0 | 0.0 | 1.0 | 0.0 | 4.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Primary Survey

About 80.8 per cent argued that tourism converted local unskilled themselves into skilled manpower in a moderate level. Along with this people are of the opinion that tourism helped to redress the regional imbalances of their region. Its intensity is shown in the table 5.21:

Table 5.21: Redressing Regional Imbalances (in percentage)

| Regional Imbalance | Kovalam | Munnar | Thekkady | Vembanad | Total |
|--------------------|---------|--------|----------|----------|-------|
| Poor | 16.0 | 0.0 | 0.0 | 0.0 | 4.0 |
| Satisfactory | 37.0 | 14.0 | 0.0 | 20.0 | 17.8 |
| Moderate | 7.0 | 48.0 | 15.0 | 73.0 | 35.8 |
| Good | 28.0 | 38.0 | 73.0 | 7.0 | 36.5 |
| Excellent | 12.0 | 0.0 | 12.0 | 0.0 | 6.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: primary Survey

The total score analysis for the variable regional development shows that, tourism acted as a facilitator for the development of their area compared to other neighbouring areas is the leading factor for the development of their locality. The group score analysis showed that in Kovalam and Munnar the factor any significant development of their region during the

last five years is the factor which have the prime influence on income. Yet in Thekkady and Vembanad it is tourism acted as a facilitator for the development of their area compared to other neighbouring areas.

Spearman's rank correlation was calculated in order to study the degree of relationship among the four different destinations. Using these rankings Spearman's Rank Correlation is calculated.

Table 5.22: Rank Correlation of Regional Development

| | Kovalam | Munnar | Thekkady | Vembanad |
|-----------------|----------------|---------------|-----------------|-----------------|
| Kovalam | 1.000 | | | |
| Munnar | .400 | 1.000 | | |
| Thekkady | -.100 | .200 | 1.000 | |
| Vembanad | .800 | .600 | -.400 | 1.000 |

Source: Compiled using Primary Survey

Here among the destinations there exists highest correlation (.800) between Kovalam-Vembanad. On the contrary there exists negative correlation between Thekkady – Vembanad (-0.400).

The Coefficient of Concordance for standard of living variable is calculated and the result (0.28) shows that there is very low concordance between the various ranks. But infrastructure and regional development are highest in Kovalam and Vembanad and Local industry, Standard of Living and Income are highest among Munnar- Vembanad.

5.5) UNDERSTANDING OF LOCAL ECONOMIC DEVELOPMENT

Generally natives are aware about any impact upon their locality. So in order to identify the tourism's impact it is better to evaluate local people's awareness about it. A lot of facilities are there in the economy which developed as a result of tourism expansion. Likewise some are there to be developed. So, they are requested to rank the facilities which improved most during the previous years in your locality. 32.5 per cent assigned first rank to roads and 28.3 per cent assigned first ranks to hotels. The ranks which assigned by the local people to the facilities are converted into mean rank and mean choice score. It is shown in the table 5.23. The mean rank is highest to the roads. So we can clearly say that the facility which improved most is road which is followed by hotels, telecom, ayurvedic centers and spices and other local products.

Table 5.23: Mean ranking and Mean Score of the Facilities

| Facilities | Sum of Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---------------------------------|---------------------|------------------------|------------------|--------------------------|
| Roads | 3023 | 400 | 7.5575 | 1.4425 |
| Telecom | 2207 | 400 | 5.5175 | 3.4825 |
| Hotels | 3011 | 400 | 7.5275 | 1.4725 |
| Ayurvedic centres | 2161 | 400 | 5.4025 | 3.5975 |
| Handicrafts | 1823 | 400 | 4.5575 | 4.4425 |
| Sanitary facilities | 1374 | 400 | 3.435 | 5.565 |
| Amusement sites | 979 | 400 | 2.4475 | 6.5525 |
| Spices and other local products | 2070 | 400 | 5.175 | 3.825 |
| Others | 1382 | 400 | 3.455 | 5.545 |

Source: Compiled using Primary Survey

Likewise they are also requested to rank the main obstacles of tourism development to their locality. Here they ranked high taxes (43.8 per cent) and lack of adequate infrastructural facilities is the most important obstacles (20.5). The table 5.24 shows the total score, mean rank and mean choice score of main hindrances to the development of tourism.

Table 5.24: Mean rank of the Main Hindrances to the Development of Tourism

| Hindrances | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---|--------------------|------------------------|------------------|--------------------------|
| High taxes | 3324 | 400 | 8.31 | 1.69 |
| Checking of governmental authorities | 1841 | 400 | 4.6025 | 5.3975 |
| Absence of infrastructural facilities | 2829 | 400 | 7.0725 | 2.9275 |
| Nuisance by local people | 1662 | 400 | 4.155 | 5.845 |
| Nuisance by police | 1821 | 400 | 4.5525 | 5.4475 |
| Harassment by Panchayaths/ municipal authorities | 1711 | 400 | 4.2775 | 5.7225 |
| Shortage of skilled labour | 2193 | 400 | 5.4825 | 4.5175 |
| Shortage of supply of goods | 1778 | 400 | 4.445 | 5.555 |
| Absence of sufficient amusement sites | 2245 | 400 | 5.6125 | 4.3875 |
| Absence of rooms and guest houses | 2608 | 400 | 6.52 | 3.48 |

Source: Compiled using Primary Survey

Now we are very clear that the main obstacles to the tourism are high taxes from the part of the government, followed by absence of infrastructural facilities. In order to extent the scope of tourism in the destination one of the methods is to extent seasonality. The important ways to extent seasonality in the locality includes starting amusement parks, starting Ayurvedic centres, improving shopping facilities, marketing tourism in foreign countries and encouraging domestic tourism. The total score and mean ranking is calculated (table 25). They considered encouraging domestic tourism is the most important method to extent seasonality, followed by marketing tourism in foreign countries. Thus the best way is to encourage both foreign and domestic tourist to our state.

Table 5.25: Total Score and Mean Rank of Ways to Extent Tourism Seasonality

| Ways | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---|--------------------|------------------------|------------------|--------------------------|
| By starting amusement parks | 1065 | 400 | 2.6625 | 7.3375 |
| By starting Ayurvedic centres | 717 | 400 | 1.7925 | 8.2075 |
| By improving shopping facilities | 1083 | 400 | 2.7075 | 7.2925 |
| By marketing tourism in foreign countries | 1431 | 400 | 3.5775 | 6.4225 |
| By encouraging domestic tourism | 1708 | 400 | 4.27 | 5.73 |

Source: Compiled using Primary Survey

5.6) STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS OF KERALA TOURISM

In order to get a clear idea about the state's tourism it is better to know the strengths, weaknesses, opportunities and threats of Kerala tourism. Kerala became a Global brand in tourism and achieved high number of national and international awards. Another thing is the segmented tourist packages offered by Kerala tourism which attracted a lot of tourists each year. As a tourist destination Kerala is having a lot of strength like vast greenery, knowledge of English by majority of local people, efficient transport facilities, rich history and heritage and rare conglomeration of all the type of tourism. The total score and mean ranking of the strength of tourism showed that vast greenery and friendly climate tops and is followed by unique geographical diversity (table 5.26).

Table 5.26: Total Score and Mean Ranking of the Strength of Tourism

| Strengths | Total Score | Number of ranks | Mean rank | Mean Choice Score |
|--|--------------------|------------------------|------------------|--------------------------|
| Vast greenery | 3561 | 400 | 8.9025 | 1.0975 |
| Knowledge of English by majority of local people | 2606 | 400 | 6.515 | 3.485 |
| Efficient transport facilities | 2307 | 400 | 5.7675 | 4.2325 |
| Public organisation by the government | 1460 | 400 | 3.65 | 6.35 |
| Reputation of the state in the world | 1531 | 400 | 3.8275 | 6.1725 |
| Rich history and heritage | 2229 | 400 | 5.5725 | 4.4275 |
| Rare conglomeration of all the type of tourism | 1269 | 400 | 3.1725 | 6.8275 |
| Sound banking system | 2294 | 400 | 5.735 | 4.265 |
| Unique geographical diversity | 3044 | 400 | 7.61 | 2.39 |
| Friendly climate | 3308 | 400 | 8.27 | 1.73 |

Source: Compiled using Primary Survey

In spite of all these strengths Kerala tourism is also having some weaknesses. The important of them include lack of proper solid waste management, limited number of tour packages to attract international tourists, overcharging of services, lack of serviced accommodation at highest quality level, lack of proper regulations from the part of the government, poor tourism promotional strategies and techniques, insufficient funds for tourism promotion and infrastructure developments, infrastructural issues with respect to air transport and distance from major markets. The total score and mean rank of the weakness shows that lack of adequate infrastructure is the major weakness of Kerala tourism. High rates of accommodation are next to lack of adequate infrastructure with 7.85 mean ranks (table 5.27).

Table 5.27: Total Score and Mean Ranking of Tourism Weaknesses

| Weaknesses | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---|-------------|-----------------|-----------|-------------------|
| Lack of adequate infrastructure | 3292 | 400 | 8.23 | 1.77 |
| Lack of safety and security of tourists | 1663 | 400 | 4.1575 | 5.8425 |
| Widespread begging and cheating | 1885 | 400 | 4.7125 | 5.2875 |
| Lack of trained / authorised guides | 1780 | 400 | 4.45 | 5.55 |
| Poor maintenance and cleanliness | 2296 | 400 | 5.74 | 4.26 |
| Lack of tourist information | 1744 | 400 | 4.36 | 5.64 |
| Hostile treatment | 1855 | 400 | 4.6375 | 5.3625 |
| High rates of accommodation | 3141 | 400 | 7.8525 | 2.1475 |
| Anti social activities | 1258 | 400 | 3.145 | 6.855 |
| Lack of adequate parking facilities | 3088 | 400 | 7.72 | 2.28 |

Source: Compiled using Primary Survey

However, Kerala tourism is having some opportunities to overcome the weaknesses and reinforce the strengths of tourism sector. The most important opportunities of Kerala tourism sector is projecting ayurvedic system of medicine and the traditional art forms. Other opportunities are skilled and unskilled labour force available in the state, scope for food and heritage tourism, increased scope for medical tourism, farm tourism and eco tourism, willingness of private entrepreneurs and multinational corporations to invest in Kerala tourism. The total score and mean ranking of opportunities showed that the increased government support for the tourism promotion is the prime opportunity of Kerala tourism. It is followed by Go-green initiatives and use of social media space for better visibility (table 5.28).

**TABLE 5.28: TOTAL SCORE AND MEAN RANK OF OPPORTUNITIES OF
KERALA TOURISM**

| Opportunities | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---|--------------------|------------------------|------------------|--------------------------|
| Increased privatisation | 1615 | 400 | 4.0375 | 5.9625 |
| Medical tourism | 2127 | 400 | 5.3175 | 4.6825 |
| Go-green initiatives | 3128 | 400 | 7.82 | 2.18 |
| World class hotels and airports | 1291 | 400 | 3.2275 | 6.7725 |
| Dynamic growth in emerging market | 1274 | 400 | 3.185 | 6.815 |
| Government support | 3807 | 400 | 9.5175 | 0.4825 |
| Innovation in technology | 2235 | 400 | 5.5875 | 4.4125 |
| Use of social media space for better visibility | 2812 | 400 | 7.03 | 2.97 |
| shift of global tourists from developed to emerging economies | 1176 | 400 | 2.94 | 7.06 |
| Monsoon tourism | 2561 | 400 | 6.4025 | 3.5975 |

Source: Compiled using Primary Survey

Now Kerala tourism sector is facing threats which we have to be identified and beaten. The important of them are the competition from the other tourist centres within the country (Goa, Tamil Nadu and Karnataka) and outside the country (Sri Lanka, Singapore and Malaysia). Other important threats are anti social activities from the part of the natives like robbery, attacking and hartals, existence of unethical traders and unlicensed agencies in the tourism sector, exploitation of natural resources, environmental pollution, ecological hazards and cultural degradation and quality concerns in health tourism services especially Ayurveda packages. The total score and mean rank of threats is shown as (table 5.29):

Table 5.29: Total Score and Mean Rank of Threats of Tourism

| Threats | Total Score | Number of Ranks | Mean Rank | Mean Choice Score |
|---|-------------|-----------------|-----------|-------------------|
| Better promotion by other states like Goa | 2288 | 400 | 5.72 | 4.28 |
| Better promotion by other countries like Sri Lanka and Malaysia | 2294 | 400 | 5.735 | 4.265 |
| Pollution and lack of environmental protection | 2718 | 400 | 6.795 | 3.205 |
| Lack of facilities especially comfortable accommodation | 2685 | 400 | 6.7125 | 3.2875 |
| Corruption | 2171 | 400 | 5.4275 | 4.5725 |
| Unhygienic condition | 1494 | 400 | 3.735 | 6.265 |
| Lack of monuments and museum | 2378 | 400 | 5.945 | 4.055 |
| High tax on hotel bill | 2990 | 400 | 7.475 | 2.525 |
| Lack of conducted tour | 1396 | 400 | 3.49 | 6.51 |
| Lack of tourist information centers | 1622 | 400 | 4.055 | 5.945 |

Source: Compiled using Primary Survey

The total score and mean ranking showed that the most important threat is high tax on hotel bill and the least one is lack of conducted tour. Thus we can say that this SWOT analysis will help to positively use of strengths, made use of opportunities, threats are to be analysed to find solution and transform weaknesses to strengths.

5.7) FOREIGN AND DOMESTIC TOURISTS LEVEL OF SATISFACTION

Impact of tourism upon a destination must be reflected in the services provided at the destinations. Higher the economic impact then higher will be the quality of the services they provided. So as a part of the impact assessment quality attributes of the various services provided at the destinations are assessed through the opinion of the tourists from both the foreign and domestic. Data from 100 tourists 25 from each destination were collected. Out of these 100 respondents 86 were males and 14 were females. Sorting the sample in terms of age found more of them are included in the age group of 21-40. 66 per cent of them are belonged to Hindu religion and 20 per cent Christians. Next, 73 per cent are married and 34 per cent are professionally qualified. Out of these 36 per cent are doing business and 29 per cent are working in the private firm. One noticeable thing is that the share of government servant is negligible i.e., 15 per cent. So majority is having the annual income of 2 to 5 lakhs.

Out of these 100 tourists 80 are domestic and 20 are foreign. This proportion is because previous year data relating to tourist arrivals to Kerala showed that 80 per cent are domestic and 20 per cent are foreign. Generally tourist visit Kerala by getting information from

different sources like periodicals, tour operators, internet or website of Kerala tourism department and from their own personal interest. Here 50 per cent got information from the tourism department's official website. This shows the popularity of Kerala tourism department website. 22 per cent got information from tour operators especially in the neighbouring states. Of these 71 per cent used to have a holiday in year and 64 per cent gives importance to destination while planning the trip. 69 per cent are of having a trip less than a week and 47 per cent have a budget of 50000 to 100000. 87 per cent planned this trip only for leisure or holiday. Another noticeable thing is that 76 per cent visited Kerala for the first time and with family. 21 per cent visited Kerala previously (42 per cent visited two years back). Out of these, 90 per cent noticed the changes like new hotels and resorts, new ayurvedic centres, more transportation facilities, more shopping facilities, better sanitation and increased pollution. All the foreign tourists and 85 per cent domestic tourists selected Kerala because of its natural beauty and 81 per cent reached here by way of air. 44 per cent have booked the trip through the tour operator and selected the accommodation in starred hotel (67 per cent) and in the private ownership.

Tourists received various services from the destinations. So to measure the impact the quality of the services provided at the destinations by different stakeholders are considered. Their opinions regarding these services are tabulated as in the table 5.30:

Table 5.30: Opinions Regarding Various Services (in percentage)

| Services | Opinion | | | | |
|--|---------|--------------|----------------|------|-----------|
| | Good | Satisfactory | To be improved | Poor | Very Poor |
| Cost of Accommodation | 78.0 | 0.0 | 22.0 | 0.0 | 0.0 |
| Behaviour of the hotel staff | 92.0 | 0.0 | 7.0 | 1.0 | 0.0 |
| Quality of the food provided | 51.0 | 40.0 | 0.0 | 9.0 | 0.0 |
| Transportation facilities | 46.0 | 0.0 | 54.0 | 0.0 | 0.0 |
| Traffic and maintenance of roads | 32.0 | 0.0 | 63.0 | 5.0 | 0.0 |
| Tourist information facilities | 75.0 | 0.0 | 22.0 | 3.0 | 0.0 |
| Availability of communication facilities | 81.0 | 0.0 | 19.0 | 0.0 | 0.0 |
| Visitors attraction at the centre | 95.0 | 0.0 | 5.0 | 0.0 | 0.0 |

| | | | | | |
|---|------|------|------|-----|-----|
| Entertainment facility | 85.0 | 14.0 | 0.0 | 1.0 | 0.0 |
| Shopping facility | 0.0 | 75.0 | 25.0 | 0.0 | 0.0 |
| Behaviour of taxi/auto drivers | 87.0 | 11.0 | 0.0 | 2.0 | 0.0 |
| Behaviour /Hospitality of the host people | 92.0 | 8.0 | 0.0 | 0.0 | 0.0 |
| Opinion about travel service providers | 92.0 | 8.0 | 0.0 | 0.0 | 0.0 |
| Opinion about tourist guide services | 87.0 | 13.0 | 0.0 | 0.0 | 0.0 |
| Opinion about other support service providers | 84.0 | 16.0 | 0.0 | 0.0 | 0.0 |

Source: Primary Survey

Majority of the services are graded as good except some cases like traffic and maintenance of roads. 63 per cent are of the view that 'traffic and maintenance of roads' must be improved.

In order to test the quality of the different services provided at the destinations Student t test was conducted. For that purpose a null hypothesis is formulated. It is

Quality of the different services received by the tourists at the destination is average

The t test results are shown in the table 5.31.

Table 5.31: One Sample t Test Result of Different Services Received by the Tourists

| No. | Variables | Mean | p value | t value | Inference |
|-----|---|------|---------|---------|--------------------|
| 1 | Cost of Accommodation | 1.21 | .000* | 29.558 | Highly significant |
| 2 | Behaviour of the hotel staff | 1.10 | .000* | 33.000 | Highly significant |
| 3 | Quality of the food provided | 1.84 | .000* | 20.042 | Highly significant |
| 4 | Transportation facilities | 1.50 | .000* | 28.723 | Highly significant |
| 5 | Traffic and maintenance of roads | 1.76 | .000* | 34.186 | Highly significant |
| 6 | Tourist information facilities | 1.26 | .000* | 24.954 | Highly significant |
| 7 | Availability of communication facilities | 1.17 | .000* | 30.991 | Highly significant |
| 8 | Visitors attraction at the centre | 1.08 | .000* | 39.610 | Highly significant |
| 9 | Entertainment facility | 1.23 | .000* | 26.266 | Highly significant |
| 10 | Shopping facility | 1.32 | .000* | 24.928 | Highly significant |
| 11 | Behaviour of taxi/auto drivers | 1.18 | .000* | 25.768 | Highly significant |
| 12 | Behaviour /Hospitality of the host people | 1.19 | .000* | 30.182 | Highly significant |
| 13 | Opinion about travel service | 1.09 | .000* | 37.897 | Highly significant |

| | | | | | |
|----|---|------|-------|--------|--------------------|
| | providers | | | | |
| 14 | Opinion about tourist guide services | 1.14 | .000* | 32.690 | Highly significant |
| 15 | Opinion about other support service providers | 1.19 | .000* | 30.182 | Highly significant |

* Highly significant at one per cent, Source: Compiled using Primary Survey

Here all the variables are highly significant having a p value of 0.000. So the null hypothesis is rejected at one per cent level of significance. As a result the quality of the different services received by the tourists at the destination is above or below average. All the t values are above the mean value so quality of the services is above average. Now it is concluded that the quality of the different services received by the tourists at the destinations are above average that is either satisfactory or good.

94 per cent of the tourists are aware that Kerala tourism is one of the super brands in India and 81 per cent heard about Kerala tourism slogan- “God’s own country”. 66 per cent rated Kerala as very good, 30 per cent good and four per cent average as a value for money proposition. 79 per cent opined that general assessment of the trip is highly satisfactory. All of them from the Vembanad are of this opinion. 93 per cent are ready to come again to Kerala and all of them will recommend Kerala to their friends and others because they think Kerala is a safe destination. So when they were asked to mention the drawbacks in the Kerala tourism 64 per cent opined that they don’t feel any problem in Kerala. Remaining 36 felt some problems like unhygienic condition, corruption, expensive and lack of accommodation, anti social activities and hostile treatment from the natives. Similarly they revealed some problems in the destinations. 61 per cent faced more than one problem like food problems, lack of toilet facilities, congestion or crowdedness in the destination, high rates of accommodation and lack of ATM & credit card facilities.

5.8) CONCLUSION

Tourism brings an opportunity of experience to the people from different social, cultural, economic and political backgrounds. As a result these benefits are accrued by not only the visitors but also by the natives. The impact of tourism depend on the volume of tourists arrived, type tourism activity available in the tourist destination, social and cultural characteristics of both the local and tourists and the feebleness of the environment. Thus the forgoing analysis of the economic impact created upon the regional economies Kerala economy based on the perception of the local people shows a positive result. The important influence include percentage of tourism related customers, percentage of tourism income with

reference to total income, difference in the development of infrastructure facilities in the locality compared to other areas, extent of tourism in the development of the local industry, how far tourism helped to remove poverty of their locality and tourism acted as a facilitator for the development of their area compared to other neighbouring areas. Along with these the opinion of the tourists related to various services received at the destinations are also shows a positive result. Thus we can say that the development of tourism in the regional economies of Kerala created higher impact upon the economy. Economic development is also related to the environment or ecology. So it is essential to study the ecological impact of tourism as well. The next chapter discusses this in detail.

Chapter 6

ECOLOGICAL IMPACT OF TOURISM IN THE REGIONAL ECONOMIES OF KERALA

6.1) INTRODUCTION

The existence of tourism sector needs a high quality environment, either manmade or natural. This relationship results into positive and negative ecological impact. In the long run environmental friendly tourism alone can be sustainable for the development of the tourist destination and economic growth depends upon environmental quality. Therefore this chapter analyses the ecological impact created by tourism in the regional economies of Kerala. For that purpose Environmental Impact Assessment Scale based on the perception of the local people is used because the quantitative measurement of ecological impact is tedious. The local people are enquired about the ecological change by their own experience. The primary survey results are analysed with the help of one sample t test.

6.2) TYPES OF NEGATIVE ECOLOGICAL IMPACTS OF TOURISM

There are three types of ecological impacts namely depletion of natural resources, pollution and physical impacts.

6.2.1) Depletion of Natural Resources

Increased consumption in the case of scarce resources put pressure on natural resources. The different types of depletion are water resource depletion, local resources depletion and land degradation. Tourism industry overuses water especially fresh water for personal uses of tourists, hotels, swimming pools and golf courses. This over and uncontrolled use results in degradation and wastage of water. In the same way it generates pressure on and over exploitation of local resources. Scenic landscapes, wild life, forests, minerals, fertile soil, fossil fuel and wetland are affected by the increased construction of tourism and recreational facilities. Forests often suffer negative impacts of tourism in the form of deforestation caused by fuel wood collection and land clearing. For example, one trekking tourist in Nepal and area already suffering the effects of deforestation can use four to five kilograms of wood a day (UNEP, 1999).

6.2.2) Pollution

Air emissions, solid waste and littering, oil and chemicals, noise and release of sewage are the forms of pollution by tourism as same as other industries. Important types of pollution occur as a result of tourism includes solid waste and littering, air pollution, noise pollution and sewage. Improper waste disposal is a major problem faced by the modern tourist destinations. Tourists throw garbage, plastics and other wastes in to the place they leave. Similarly in the mountain trekking they leave oxygen cylinders and camping equipments in

the mountain region lead to degradation of the environment. Similarly oil leakage and waste disposal in the marine areas cause the death of marine animals. Increase in the number of tourists will lead to increased use of air, road and rail transportation. Number of air passengers increased enormously during the years. It is estimated that a single transatlantic return flight emits almost half the CO emissions produced by all other sources (like lighting, heating and car use) consumed by an average person per year (ICAO, 2001). Likewise in the extreme cold or hot tourist destinations, tourist vehicles often leave their motor run when the tourists went for excursion to return to comfortable conditioned vehicles. So tourism transportation directly created air pollution in the tourist destinations. Similarly noise from motor vehicles, aeroplanes and other recreational vehicles create disturbances not only to the human being but also to the wild life. Waste water is one of the major problems in the tourist destinations. This will lead to the damage of flora and fauna of that place especially the coral reefs.

6.2.3) Physical Impacts

Physical impacts include the degradation of ecosystems like landscapes, riversides, mountain tops, sandy beaches, valleys and lakes. These ecosystems in the tourist destinations are ecologically fragile areas. So threats to these areas are severe because they are very attractive to tourists. That is construction of roads, airports, accommodation facilities, water supplies, recreational facilities and restaurants lead to the san mining, soil erosion and sand erosion. Similarly clearing forested land and overbuilding and extensive paving of beaches can result in the destruction of marina. Tourist activities which cause physical impacts are anchoring and other marine activities and trampling. Trampling impacts on vegetation and soil is expressed in the table 6.1:

Table 6.1: Trampling Impacts on Vegetation and Soil

| Trampling Impacts on Vegetation | Trampling Impacts on Soil |
|---------------------------------|--|
| Breakage and bruising of stems | Loss of organic matter |
| Reduced plant vigor | Reduction in soil macro porosity |
| Reduced regeneration | Decrease in air and water permeability |
| Loss of ground cover | Increase in run off |
| Change in species composition | Accelerated erosion |

Source: www.unepie.org/tourism/

Thus the consequence of these physical impacts of tourism can be summarised as loss of biological diversity, depletion of ozone layer and climate change. Leopold Matrix (a qualitative environmental impact assessment method) interpretation depicts the negative and positive impact of tourism related activities as in the table 6.2:

Table 6.2: Negative and Positive Impact of Tourism Related Activities

| Action | Positive Impact | Negative Impact |
|------------------------------------|---|---|
| Employment | -Tourism provides number of employment opportunities in tourism and allied sectors | -Shifting of employment from cultivation and agriculture related jobs to tourism related jobs reduce the potentiality of agricultural growth in Kerala |
| Privatisation | -Advancement in the sector - Large investment | - Increasing competitiveness reduce the trust - exploitation of natural resources - Use of natural resource as a free good causes tragedy of commons |
| Construction | -Constructional activities help to attract tourists more - Development in the sector | - It causes land mismanagement - Agricultural Depression - Negatively affect the migration of birds breeding of fishes and thereby destroy eco system |
| Emerging of related industries | -Open window for employment -Contribution to GDP increase | -Attempt to exploit foreigners |
| Houseboats and other water vessels | -Increasing foreign remittance -Development of infrastructure | -Disposal of waste -Oil leakages -Water pollution - Destroy eco system - Excretion of detergents, soap |
| Social and Cultural life | -Get employment and increase standard of living -Merging of culture | -Loss of our heritage - Promotion of illegal and immoral activities on the shadow of tourism - Health issues due to pollution - Disturbance of our culture |

Source: Aswathy, 2016

In Kerala the private participation is very high in the tourism sector. This internalisation also has negative impact like over competition, exploitation of the environment and profit motive activities. Various fish varieties and other species in backwaters are affected by the increased oil discharges from the house boats. In spite of this, large amount of detergents and soaps emitted through the bio toilets in the houseboats also endanger the eco system in the back waters.

6.3) ENVIRONMENTAL IMPACT ASSESSMENT

Measuring environmental impacts is important because people's support for tourism development depends upon their attitudes towards environmental changes (Jurowski, et al. 1997). Environmental Impact Assessment (EIA) is Science-based method which has emerged since the early 1980s in response to the passage of regulation regarding air quality, water quality, toxic chemicals, and other environment threats (Wheeler, 2013). Therefore environmental impact assessment measures the consequences of an action upon the environment, which includes the transformation of ecological, physical, social and cultural structure. The complexity of interactions between different components of the environment, however, makes measurement of the environmental impacts of tourism difficult (Williams, 1994). There are different types of techniques to measure environmental impact of tourism. They are Overlay Techniques, Life Cycle Assessment, Ad hoc Procedures, Networks, Sustainability Indicators, Matrices, Environmental Auditing, Ecological Footprint, Delphi Technique and Checklists. In this study a form of checklist known as Environmental Impact Assessment Scale is used. It is also known as Environmental Impact Assessment Matrix, was prepared by Clemson International Institute for Tourism & Research Development, Department of Parks, Recreation and Tourism Management, Clemson, for assessing the environmental impact based on Likert scale.

6.3.1) Local People and Environmental Impact

Here the variables are selected from the Clemson International Institute for Tourism and Research Development. The survey was conducted along with the economic impact assessment. From the each destination 100 local people are interviewed with the schedule. Their responses are graded as none, minor, moderate, serious and very serious. In order to assess the reliability of the measuring scale Cronbach's Alpha was calculated and it was 0.938. According to WHO estimates (WHO, 2016) in Kerala all the districts are above the national average air pollution level of 14 micrograms except in Pathanamthitta. It is a threat to Kerala tourism. Several tourist destinations like Puthuchery and Panaji are less polluted than Kerala. The local people's opinion about air pollution in the sample destination is expressed in table 6.3.

Table 6.3: Air Pollution (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|---------------------|-------------|--------------|-----------------|----------------|
| Kovalam | 16 | 77 | 7 | 0 |
| Munnar | 0 | 1 | 59 | 40 |
| Thekkady | 0 | 0 | 63 | 37 |
| Vembanad | 0 | 0 | 51 | 49 |
| Total | 4 | 19.5 | 45 | 31.5 |

Source: Primary Survey

45 per cent are of the view that air pollution is moderate especially in Munnar and not at all serious in Kovalam. Another type of pollution is surface water pollution, including rivers, streams, lakes, ponds and coastal waters. One of the major tourist attractions is the backwaters. Now they face the problem of pollution and encroachment. Ashtamudi Lake is listed in the Ramsar Convention (the water bodies listed under this are not to be polluted and encroached). But the tourism department itself started a hotel in the bank of it and discharging untreated sewage into the lake. Likewise Kollam corporation biogas plant established in 2007 on the bank of the lake operated for a short time and now pumped raw sewage into the lake. Another problem is the oil spillage from the motor boats and runoff from the agricultural fields in the neighbouring areas. According to 48 per cent of the local people surface water pollution, including rivers, streams, lakes, ponds and coastal waters is serious in the tourist destinations. This opinion is predominant in Vembanad (99 per cent) and Munnar (93 per cent). This is shown in the table 6.4:

Table 6.4: Surface Water Pollution (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|---------------------|-------------|--------------|-----------------|----------------|
| Kovalam | 13 | 85 | 2 | 0 |
| Munnar | 0 | 0 | 7 | 93 |
| Thekkady | 0 | 65 | 35 | 0 |
| Vembanad | 0 | 0 | 1 | 99 |
| Total | 3.3 | 37.5 | 11.3 | 48 |

Source: Primary Survey

In the case of ground water pollution also the same opinion (serious) is expressed by the local people 49 per cent of the local people (Table 6.5).

Table 6.5: Ground Water Pollution (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 13 | 81 | 6 | 0 |
| Munnar | 0 | 0 | 4 | 96 |
| Thekkady | 0 | 82 | 18 | 0 |
| Vembanad | 0 | 0 | 0 | 100 |
| Total | 3.3 | 40.8 | 7 | 49 |

Source: Primary Survey

In the backwater region of Kerala the people are entirely depended on the back waters for their day to day use such as drinking, bathing, cooking, fishing and other livelihood activities. But the poorly managed houseboat tourism affected the quality of the water and finally leads to the health problems to the locals. Here people are not drinking enough water due to the shortage and it puts burden to housewives to collect drinking water from far away in small boat. They opined that now the lake's water had tastes of petrol and smells bad. 48 per cent of the locals especially 95 per cent from Munnar and 97 per cent from Vembanad are of the view that domestic water supply pollution is serious (table 6.6).

Table 6.6: Pollution of Domestic Water Supply (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 11 | 80 | 9 | 0 |
| Munnar | 0 | 0 | 5 | 95 |
| Thekkady | 1 | 87 | 12 | 0 |
| Vembanad | 0 | 0 | 3 | 97 |
| Total | 3 | 41.8 | 7.3 | 48 |

Source: Primary Survey

WHO suggests that noise can affect human health in a number of ways such as physical, psychological and physiological. Now Kerala tourist destinations are suffering from noise pollution especially in the peak season. It is due to the heavy traffic and increase in the production (to meet the needs of the tourists) as a result of increased tourist arrivals in the state. According to the local people (42.3 per cent) noise pollution is moderate in Kerala (table 6.7).

Table 6.7: Noise Pollution (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|---------------------|-------------|--------------|-----------------|----------------|
| Kovalam | 22 | 55 | 14 | 9 |
| Munnar | 0 | 4 | 51 | 45 |
| Thekkady | 1 | 57 | 38 | 4 |
| Vembanad | 0 | 15 | 66 | 19 |
| Total | 5.8 | 32.8 | 42.3 | 19.3 |

Source: Primary Survey

Solid waste disposal is a major problem in the heavy tourist destinations and appealing natural attractions in Kerala. This waste degrades the quality of human health and accelerates the deterioration of the environment in alarming proportion (Chattwal, 1987).

The amounts of waste generation in the case of foreign and Indian tourists are different. The per capita waste generation among foreign tourists is 5.5 kg/day and in Indian tourist an average of 3.5 kg/day. In the Kumarakom area the plastic bottles, toilet wastes and food wrappers are discarded into the lake and canal water which may affect the aquatic life and leads to pollution. In Kumarakom tourism area on average solid wastes produced per resort amounts to 350 kg/day. The total waste generation in Kumarakom tourism area is calculated as 1286273.5 kg (Rajan et.al, 2015). Solid waste disposal problems are moderate to 46 per cent and severe to 18 per cent (table 6.8).

Table 6.8: Solid Waste Disposal Problems (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|---------------------|-------------|--------------|-----------------|----------------|
| Kovalam | 7 | 20 | 67 | 6 |
| Munnar | 0 | 6 | 48 | 46 |
| Thekkady | 1 | 91 | 8 | 0 |
| Vembanad | 0 | 19 | 61 | 20 |
| Total | 2 | 34 | 46 | 18 |

Source: Primary Survey

But the drainage and flooding problems are minor to 67.3 per cent and none to 7.8 per cent (table 6.9).

Table 6.9: Water Drainage and Flooding Problems (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 28 | 66 | 6 | 0 |
| Munnar | 0 | 37 | 55 | 8 |
| Thekkady | 2 | 97 | 1 | 0 |
| Vembanad | 1 | 69 | 29 | 1 |
| Total | 7.8 | 67.3 | 22.8 | 2.3 |

Source: Primary Survey

Kerala is home to many types of flora and fauna and is famous for that. But the uncontrolled and unrestricted tourism causes damage to these flora and fauna. Mainly the damage is caused by the pollutions including tourism like air pollution, surface water pollution, ground water pollution, and pollution of domestic water supply, noise pollution, solid waste disposal problems and water drainage and flooding problems. 77.8 per cent of the locals are of the view that damage to the flora and fauna is moderate in Kerala (table 6.10).

Table 6.10: Destruction of Flora and Fauna (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 48 | 49 | 3 | 0 |
| Munnar | 0 | 71 | 27 | 2 |
| Thekkady | 4 | 96 | 0 | 0 |
| Vembanad | 2 | 95 | 3 | 0 |
| Total | 13.5 | 77.8 | 8.3 | 0.5 |

Source: Primary Survey

Table 6.11: Ecological Damage (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 44 | 55 | 1 | 0 |
| Munnar | 0 | 33 | 61 | 6 |
| Thekkady | 3 | 97 | 0 | 0 |
| Vembanad | 1 | 29 | 69 | 1 |
| Total | 12 | 53.5 | 32.8 | 1.8 |

Source: Primary Survey

Ecological damage, including land and water areas, wetlands and plant and animal habitats in general is also the consequence of other types of pollution in the environment. In Kerala

ecological damage is minor to 53.5 percent of the local people (table 6.11). Now government is acquiring adjacent areas of the tourist destinations for the expansion or development of the tourism projects. This will lead to the destruction of the natural environment (fauna and flora), pollution of water bodies (beaches/ back waters) and reduction in tree cover, cliff erosion and violation of Coastal Regulation Zone. But according to the 68 per cent local people land use and circulation problems within the project areas is minor. Similarly the land use and circulation problems in nearby areas of the tourism project are minor to 75.5 per cent local people (table 6.12).

Table 6.12: Land Use and Circulation Problems (in percentage)

| Response | | Kovalam | Munnar | Thekkady | Vembanad | Total |
|----------------------|----------|---------|--------|----------|----------|-------|
| Within Project Areas | None | 17.0 | 0.0 | 4.0 | 1.0 | 5.5 |
| | Minor | 78.0 | 28.0 | 94.0 | 72.0 | 68.0 |
| | Moderate | 5.0 | 68.0 | 2.0 | 27.0 | 25.5 |
| | Serious | 0.0 | 4.0 | 0.0 | 0.0 | 1.0 |
| In Nearby Areas | None | 51.0 | 0.0 | 4.0 | 1.0 | 14.0 |
| | Minor | 44.0 | 70.0 | 91.0 | 97.0 | 75.5 |
| | Moderate | 5.0 | 25.0 | 4.0 | 2.0 | 9.0 |
| | Serious | 0.0 | 5.0 | 1.0 | 0.0 | 1.5 |

Source: Primary Survey

Vehicle to vehicle conflict is a major problem during traffic problems. During the peak seasons of tourism destinations feel heavy congestions both pedestrian and vehicle. This is suffered heavily by the local because these congestions affect their daily routines. So to the 54 per cent of the locals congestion is serious (table 6.13).

Table 6.13: Pedestrian and Vehicular Congestion in General and during Peak Periods (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 36.0 | 17.0 | 9.0 | 38.0 |
| Munnar | 0.0 | 2.0 | 9.0 | 89.0 |
| Thekkady | 0.0 | 2.0 | 9.0 | 89.0 |
| Vembanad | 1.0 | 8.0 | 91.0 | 0.0 |

Source: Primary Survey

In tourism landscapes have an important role. In the earlier days people decide their holiday destinations purely based on the landscape and aesthetics of the destinations. So in order to attract the tourist throughout the year tourist landscapes are constructed through large number of symbolic and material transformations of original the landscape. This definitely destructs the originality of the landscapes. But this problem is less in the tourist destinations of Kerala. 72.5 per cent are of the opinion that it is minor (table 6.14).

Table 6.14: Landscape Aesthetic Problems (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 54.0 | 41.0 | 5.0 | 0.0 |
| Munnar | 1.0 | 55.0 | 38.0 | 6.0 |
| Thekkady | 2.0 | 97.0 | 0.0 | 1.0 |
| Vembanad | 1.0 | 97.0 | 2.0 | 0.0 |
| Total | 14.5 | 72.5 | 11.3 | 1.8 |

Source: Primary Survey

Tourism affects the health conditions of the local people in two ways. On the one way it became a source for spreading infectious diseases (e.g. vast spreading of SARS in 2003). In the other way the uncontrolled and unmanaged tourism themselves creates infectious diseases among the local people. Sewage, improper solid waste disposal, air pollution and noise pollution originated as a result of tourism leads to the health problems to the locals. Emissions of waste in the back waters and other water sources make the drinking water pollutant and thereby people suffer from malaria and cholera. In Kumarakom we can see people are suffering from the polluted backwater which they had been used for their daily needs in the earlier days due to the increase in the number

Table 6.15: Environmental Health Problems (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 7 | 77 | 15 | 1 |
| Munnar | 0 | 39 | 56 | 5 |
| Thekkady | 5 | 95 | 0 | 0 |
| Vembanad | 1 | 56 | 43 | 0 |
| Total | 3.3 | 66.8 | 28.5 | 1.5 |

Source: Primary Survey

of house boats.66.8 per cent of the local people considered the environmental health problems as a result of tourism is minor in their destinations (table 6.15).

Tourism may spoil the monuments and other archaeological sites by encrypting their names and other things. Also by spitting, throwing waste and plastics into place where they visited. In spite of this, historical sites are damaged by accommodating the tourists beyond their carrying capacity during the peak seasons. Kerala is famous for its natural beauty. 74 per cent local people view that there is damage to historic, archaeological and cultural sites is minor (table 6.16).

Table 6.16: Damage to Historic, Archaeological and Cultural Sites (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 65 | 34 | 1 | 0 |
| Munnar | 1 | 69 | 28 | 2 |
| Thekkady | 5 | 94 | 1 | 0 |
| Vembanad | 1 | 99 | 0 | 0 |
| Total | 18 | 74 | 7.5 | 0.5 |

Source: Primary Survey

Along the line of construction of hotels, cabins and paths large trees and hill tops are destroyed. This finally leads to the erosion and destruction in the forest areas. According to 73.5 per cent the natives the role of it is minor (table 6.17).

Table 6.17: Damage to Important Environmental Features (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 66 | 33 | 1 | 0 |
| Munnar | 1 | 66 | 29 | 4 |
| Thekkady | 4 | 96 | 0 | 0 |
| Vembanad | 1 | 99 | 0 | 0 |
| Total | 18 | 73.5 | 7.5 | 1 |

Source: Primary Survey

Destruction of forests and hill tops will finally leads to the soil erosion and landslides. Erosion and landslides are also caused by the tourist activities like skiing, use of motor bikes or cars and the off-track use of mountain bikes. Likewise coastal erosion occurs as a result of construction projects and tourism activities on or near beaches. To the 57 per cent of local people in Kovalam these types of problems do not exist. But to 77.8 per cent of the total local people it is minor (table 6.18).

Table 6.18: Erosion and Landslides (in percentage)

| Destinations | None | Minor | Moderate | Serious |
|--------------|------|-------|----------|---------|
| Kovalam | 57 | 38 | 5 | 0 |
| Munnar | 0 | 80 | 19 | 1 |
| Thekkady | 6 | 94 | 0 | 0 |
| Vembanad | 1 | 99 | 0 | 0 |
| Total | 16 | 77.8 | 6 | 0.3 |

Source: Primary Survey

The tourist project destructions as a result of natural hazards- earthquakes, floods, hurricanes in the destinations are minor to 79.8 percent of the local people (table 6.19).

Table 6.19: Damage to Tourism Projects (in percentage)

| Destinations | None | Minor | Moderate |
|--------------|------|-------|----------|
| Kovalam | 56 | 43 | 1 |
| Munnar | 3 | 90 | 7 |
| Thekkady | 13 | 87 | 0 |
| Vembanad | 1 | 99 | 0 |
| Total | 18.3 | 79.8 | 2 |

Source: Primary Survey

Tourism can act as a source for protecting the environment by conservation of sensitive areas and habitat. Revenue from the spot can be used for the protection and smooth functioning of the destination. Tourism can bring people more closely to the environment and will lead to the environmentally conscious behaviour from the part of the people. Student t test was conducted to measure the local people's opinion with a particular statement related to environmental problems as a result of tourism.

Table 6.20: t Test Result of Environmental Impact as a Result of Tourism

| No. | Variables | Mean | Rank | p value | t value | Inference |
|-----|---|------|------|---------|---------|--------------------|
| 1 | Air Pollution | 3.04 | 2.5 | .329 | .977 | Insignificant |
| 2 | Surface water pollution, including rivers, streams, lakes, ponds and coastal waters | 3.04 | 2.5 | .421 | .806 | Insignificant |
| 3 | Ground water pollution | 3.02 | 4 | .730 | .345 | Insignificant |
| 4 | Pollution of domestic water supply | 3.00 | 5 | .961 | .050 | Insignificant |
| 5 | Noise pollution, in general and during peak periods | 2.75 | 7 | .000** | -6.023 | Highly Significant |
| 6 | Solid waste disposal problems | 2.80 | 6 | .000** | -5.339 | Highly |

| | | | | | | |
|----|--|------|------|--------|---------|--------------------|
| | | | | | | Significant |
| 7 | Water drainage and flooding problems | 2.20 | 11 | .000** | -26.913 | Highly Significant |
| 8 | Damage/ destruction of flora and fauna | 1.96 | 15 | .000** | -42.893 | Highly Significant |
| 9 | Ecological damage, including land and water areas, wetlands and plant and animal habitats in general | 2.24 | 9 | .000** | -22.341 | Highly Significant |
| 10 | Land use and circulation problems within the tourist areas | 2.22 | 10 | .000** | -28.370 | Highly Significant |
| 11 | Land use and circulation problems in nearby areas | 1.98 | 14 | .000** | -37.861 | Highly Significant |
| 12 | Pedestrian and vehicular congestion in general and during peak periods | 3.28 | 1 | .000** | 5.939 | Highly Significant |
| 13 | Landscape aesthetic problems (building design, landscaping, signage etc.) | 2.00 | 12 | .000** | -34.818 | Highly Significant |
| 14 | Environmental health problems, such as malaria and cholera | 2.28 | 8 | .000** | -26.268 | Highly Significant |
| 15 | Damage to historic, archaeological and cultural sites | 1.91 | 16.5 | .000** | -42.411 | Highly Significant |
| 16 | Damage to important environmental features like large trees, hill tops etc | 1.92 | 13 | .000** | -40.401 | Highly Significant |
| 17 | Erosion, landslides etc. | 1.91 | 16.5 | .000** | -46.530 | Highly Significant |
| 18 | Damage to project from natural hazards- earthquakes, floods, hurricanes | 1.84 | 18 | .000** | -55.336 | Highly Significant |

** Significant at one per cent

Source: Compiled using Primary Survey

Here out of the 18 variable 14 variables are highly significant. Where, p value is 0.000. So the null hypothesis is rejected at one per cent level of significance. So the environmental impact as a result of tourism is below or above average. Out of these 14 variable 13 shows a t value less than mean value so the environmental impact as a result of tourism is below average for these variables. But in the case of pedestrian and vehicular congestion in general and during peak periods the t value is greater than mean value. That is in this case the impact is above average. Correspondingly four variables are insignificant because their p values are above 0.05. So the environmental impacts as a result of these variables are average. The variables which environmental impacts shows an average rate includes air pollution, surface

water pollution, including rivers, streams, lakes, ponds and coastal waters; ground water pollution and pollution of domestic water supply. Thus to conclude we can say that generally environmental impact created by tourism as a result of tourism in Kerala is lesser.

6.4) SUSTAINABLE DEVELOPMENT AND KERALA TOURISM

Kerala tourism sector introduced sustainable development measures. The aims of the sustainable development measures of Kerala tourism are to ensure quality visitor experience, focus on benefits for the community from tourism, create environment for investment and develop quality human resources in tourism and hospitality. It includes basic infrastructure at the destinations, managing tourism resources, development of local leisure destinations and enhancing local level experiences, assessing the quality of destinations, toilets at the destinations and en-route (e.g. Kerala Clean Toilet Campaign), promotion of environmental friendly practices, tourist information centres at all major tourism destinations and grading of way side establishments.

Kerala's responsible tourism initiatives first phase started at four destinations namely Kovalam, Munnar, Kumarakom and Wayanad. The proposals at Kumarakom came up as a model destination for responsible tourism. The important realisations and interferences by the responsible tourism programme in Kumarakom includes fallow land cultivation and enhanced agricultural production, fish farms and lotus cultivation, beginning connections with hotel industry, development of souvenir industry, promotion of cultural tourism and ethnic cuisine, protection of environment, energy saving measures and comprehensive resource mapping. In Wayanad it focused in three thematic areas namely economic, social and environmental. Ethnic food corners, destination resource directory, festival calendar, souvenir development, visitor management plan for Edakkal Caves, village life experience at Wayanad, environmental responsibility and clean Soodipara are the measures. In Kovalam responsible tourism measures included Zero Tolerance Campaign, a model Karthika festival, village life experience packages and destination development plan. Whereas, in Thekkady the measures are Kerala Cafe at Thekkady, village life experience package and Clean Kumily Green Kumily. As a part of achieving sustainable tourism Kerala tourism initiatives realised the significance of eco tourism and eco tourism e certification. This initiatives included the grading of hotels and resorts based on their conformity to three sets of conditions. These three sets of conditions are categorised as essential, necessary and desirable. The energy saving measures and promotion of eco tourism products are included in the essential conditions. While the use of renewable sources of energy, use of non chemical fertilisers and use of

traditional building design and materials are included in the desirable conditions. On the other hand necessary conditions include celebration of important environmental days and implementation of waste water management. Thus those who satisfy these three conditions will become a diamond member of Kerala tourism. On the other those who satisfy the essential and desirable conditions will be the club member and essential condition only will be a member. These certificate holders will be offered by several incentives by the Department of Tourism, Kerala. Thus as a result of all the sustainable development initiatives taken by the tourism department, Kerala tourism has been honoured the UN Award for creating innovative initiatives for sustainable tourism in 2014. It was for the first time the Indian government has won this recognition.

6.5) CONCLUSION

Tourism and environment are interrelated. Impact of tourism upon the economy is double sided. On the one side it acts as a watchman of the environment and on the other hand it has a destroying nature. There is a general belief that tourists destroy the spots. But here we can see that on the basis of the primary data the environmental impact created by tourism is comparatively less in the case of Kerala. The relatively lesser impact on environment according to the perception of local people may therefore be because of the initiatives (successful) of the tourism department. From the primary data analysis it is inferred that air pollution is moderate and surface water pollution, including rivers, streams, lakes, ponds and coastal waters is serious. Backwaters are facing the problems of pollution and encroachment. Poorly managed house boat tourism is the main reason behind the pollution of backwaters. Ecological damage, including land and water areas, wetlands and plant and animal habitats is also the consequence of other types of pollution in the environment and it is minor. But during the peak seasons tourism destinations feel heavy congestions both pedestrian and vehicle. This is suffered heavily by the local because these congestions affect their daily routines. The destruction of natural beauty is lower and the coastal destruction is minor. But here we can see that on the basis of the primary data the environmental impact created by tourism is comparatively less in the case of regional economies of Kerala. Tourism department and its responsible tourism initiatives might have played an important role in the lower levels of impact upon the environment. Hence, in a way, it may be argued that the tourism in the selected regional economies of Kerala is sustainable in nature but require a lot more initiatives.

CHAPTER 7

SUMMARY AND CONCLUSION

7.1) RESEARCH ISSUES ADDRESSED AND METHODOLOGY USED

This study mainly focuses on examining the penetration rate, index of tourism intensity and economic and ecological impact of tourism in the regional economies of Kerala. This study depends on both the primary and secondary data. The secondary data were mainly collected from the official data published by the Department of Tourism in Kerala and Ministry of Tourism. Along with this report of WTTC, Economic Review of Government of Kerala and some other authenticated websites are used. Primary data were collected from the four dominant types of tourism in Kerala such as Beaches, Backwater, Hill station and Wild life Sanctuaries. These four types are taken as samples based on the classification by the Interim Report Kerala (2012). From these sample destinations 100 local people who are engaged in tourism related activities and 25 tourists both foreign and domestic were interviewed with schedule.

In order to measure trend in tourist arrival and tourist earnings, this study uses simple growth rate and trend analysis. Similarly to examine the spatial dimension of the impact upon the economy Index of Tourism Intensity and Tourist Penetration Rate are used. In order to study the impact of tourism on the economic development, perception based analysis especially Impact Assessment Scale based on the Five point Likert Scale was used. This is based on the primary data collected from the personal interview of local people. Tourists' opinion regarding different services they received also assessed with the help of Five point Likert Scale. Different schedules were prepared for this purpose. Finally to study the ecological impact created by tourism, Environmental Impact Assessment Matrix prepared by Clemson International Institute for Tourism & Research Development was used. The period for the study is taken as since reforms because tourism is one of the sectors where the government introduced reform measures in order to correct the foreign exchange crisis. As a result government of India declared 1991 as 'Visit India Year' and introduced some coins and stamps which reveal the importance of tourism in the reform introduced in the country.

7.2) FINDINGS OF THE STUDY

The factors that made Kerala as a dream destination is the quality of human resources, availability of cost effective treatment and unmatched natural diversity. The number of tourists arrived in Kerala has been increasing year by year. The arrival of domestic tourists to Kerala is mainly constituted by the categories of families, teenagers, senior citizens and household with modest income. Kerala's domestic tourism experienced a positive growth rate from 1991 to 2015 except in the years 1998 and 2005 with an annual compound growth rate of 11.33 per cent. The general recession in the country's economic situation was the reason for the 1998 slowdown and the lopsided policy of the Kerala tourism sector in 2005. However a stable growth was experienced during the years 2012, 2013 and 2014. But it was decreased in 2015 mainly because of the liquor policy of the then state government. Closure of all bar hotels below four - star category mainly affected the MICE tourism sector and they shifted their destination from Kerala to neighbouring tourist places like Sri Lanka and Goa, where there is no liquor prohibition. When compared to the national level growth rate of domestic tourist arrival Kerala's growth rate was considerably lower. About 3/4th of the domestic tourists are from within the state. The remaining per cent was constituted by the other states especially the neighbouring states. The proportion of domestic tourist arrival was highest in Ernakulam, Thrissur and Thiruvananthapuram.

In the case of foreign tourist arrivals the state has recorded a consistent growth from 1991 to 2015 except in the years 2001 and 2009. These two years experienced a negative growth in the national and global level also due to the terrorist attack in U.S and subsequent war in Afghanistan in 2001 and global economic crisis, terrorist activities and H1N1 influenza epidemic in 2009. In 2005 the growth rate of foreign tourists was very negligible because of Tsunami occurred in December 2004. The growth rate of foreign tourist arrival in Kerala is higher when compared to the national level. But in 2004 and 2014 the national growth rate became higher than state's growth rate. Altogether the foreign tourist arrivals to Kerala showed a compound annual growth rate of 11.66 per cent from 1991 to 2015. In 2015 Kerala accomplished 7th position among the top ten states which receives foreign tourists by receiving 12.2 per cent of the total foreign tourists arrived in the country. Kerala receives foreign tourists from different countries especially from UK, France, USA, Germany and Saudi Arabia. They together contribute nearly half of the total foreign tourist arrivals. Central Kerala receives more than half of the total foreign tourists arrived. During the month February (in 2015) Kerala tourism received maximum number of foreign tourists and the

lowest was in June. In 2015 we can see an increase of total tourists arrived to the state because of the several new attractions like sea plane, spice route, hop-on-hop-off boats in Cochin and project Muziris. In spite of this the state also conducted several cultural activities and festivals like Nishagandhi festival of dance to attract tourists. The trend of both the total and domestic tourists arrived in the state are same because the lion share of the tourists are constituted by the domestic tourists.

Kerala's foreign exchange earnings from tourism move in sympathy with the number of foreign tourist arrivals to the state. The Compound Annual Growth Rate of Kerala's foreign exchange earnings from tourism were 25.78 (1991 to 2015) and it is higher than the nation's rate. In Kerala foreign exchange earnings are related to the number of foreign tourist arrival. To test that influence the value of correlation coefficient between number of foreign tourist arrival and foreign exchange earnings is calculated. The calculated value shows a strong positive relationship between foreign tourist arrivals and foreign exchange earnings of the state. Similarly the revenue earned from the domestic tourists is positively related to the number of domestic tourists. The compound annual growth rate of domestic tourism earning is 12.97 per cent and total revenue generated from tourism is 13.48 per cent. In 2015, tourist revenue accounts for one tenth of the state revenue. So in order to know the influence of domestic tourist arrivals upon the domestic tourist earnings the value of correlation coefficient between number of domestic tourist arrival and domestic tourism earnings is calculated. The calculated value shows that there is strong positive relationship between domestic tourist arrivals and domestic tourism earnings of the state.

Tourism has been received a low priority in the government planning. Major investments from the part of the state government has been on development of basic amenities in tourism destinations, beautifications, quality wayside and waterside amenities, state of the art information centres, visitor lounges, infrastructure for land and water based adventure tourism, erecting international quality signage at destinations and en-route, tourism transportations and safety and security aspects of tourists. The second focus area in government spending has been marketing. The assistance from central to Kerala has increased due to the state government's capacity to convince the central government about the significance of Kerala tourism. The impacts of tourism upon a destination is determined by the volume of tourists arrivals, their spending pattern, duration of stay, type of accommodation they are using and their interaction with the host population. Thus the Index of Tourism Intensity is used as a measure to infer tourism's impact in Kerala. This indicator measures the impact of tourism per kilometre square. Index of Tourism Intensity shows an

increasing trend from 1991 to 2015 except in the year 1998. In the case of Alappuzha and Kozhikode even the tourist density is higher, a higher population density brought down the Index of Tourism Intensity value. Both the Index of Tourism Intensity and density of tourists is higher in the case of Ernakulam. Ernakulam was followed by Thrissur and Wayanad. Here the Index is graded into four as Very High Intensity, High Intensity, Medium Intensity and Low Intensity. Ernakulam, Thrissur and Wayanad are included in the category of Very High Intensity; Thiruvananthapuram and Idukki High Intensity; Kottayam and Kozhikode Medium and remaining under the category of Low Intensity. Here five districts namely Thiruvananthapuram, Idukki, Ernakulam, Thrissur and Wayanad exhibit an index value which is greater than the state level. In order to know how population density and tourist density are linked each other it is essential to establish the consistency of the both. So that Spearman's Rank Correlation was calculated and it shows a positive correlation between density of tourists and density of population of the state. This result indicates that higher population density necessarily be associated with high tourist density. Another indicator is tourist penetration rate. This rate quantifies the average number of tourist per thousand inhabitants in the country at any one point in time. That is the tourist penetration rate gives the number of tourists for every 1000 inhabitants at any point of time. In 2015 there are 6.01 domestic tourists and 1.26 foreign tourists per thousand local peoples in Kerala.

In order to identify the economic impact created by tourism the local people who are engaged in the tourism related jobs like Hotel and restaurants, Paying Guest facility provider, Artists or Performer, Spices Shop, Handicraft Shop, Cool bar or Tea Shop, Studio or Photographer, Taxi or Auto rickshaw Driver, Ayurvedic Center, Travel agent or Tour operator, Guide and Book or Souvenir shops are surveyed with a pre designed schedule. Out of these different types of economic activities the larger proportion is by handicraft shops, restaurants and drivers. The categories like hotels, paying guest facility, studio or photographer, taxi or auto rickshaw driver, ayurvedic center, travel agent or tour operator and guide are highest in Vembanad. Half of the respondents are in the age group of 21-40, majority of them were males, $\frac{3}{4}$ th of them are married, more than $\frac{2}{3}$ rd is constituted by the Hindu religion and majority have qualified SSLC examination. Out of these 400 respondents 310 of them are owners of the shops and remaining are employees. Out of these owners 25 per cent of them are owner cum sales man of their shops. 92 per cent of the local people who are engaged in the tourism related jobs are preferred to remain in the present tourism related job.

According to them this tourism related job provides a better livelihood and they can also run their family very smoothly. About 62 per cent of the local people who are engaged in the

tourism related job and 75 per cent from the Thekkady itself started their livelihood in the tourism sector. The major reasons why they are shifted from other jobs are it is more profitable, more convenient, less risky, more encouragement from the government and better scope for the future. Majority of the local people are well settled in the economy because they started their job before 10 years. According to them investment in tourism is not at all risky and they are ready to invest more in this area. Only a small portion of the employers got support from the government and others are not aware of this type of support from the part of the government. They are of the opinion that in the absence of tourism there is a scope for agriculture especially in Thekkady and Vembanad.

Here the economic impact is assessed by analysing the opinions of the local people based on the economic impact assessment scale. The variables we considered for assessing the economic impact includes employment, income, infrastructure, local industry, standard of living and regional development. Tourism generates direct and indirect employment in the economy. Hotels and accommodation units, travel agencies and transportation are included in the direct employment category. On the other hand indirect employment category includes construction, manufacturing and telecommunications. The variables considered under the employment variable included type of employment (whether labour oriented, capital oriented or equally oriented), additional employment opportunities in the business and locality, alternative sources of employment, demand for man power in the employment and impact upon the employment generation. The total score analysis for the employment variable shows that, tourism related customers is the dominant factor for the development of their locality. And the least affecting variable is type of employment. And the least affecting variable is tourism related customers. The group score analysis also showed that in all the destinations the percentage of tourism related customers is the factor which has the foremost influence on employment. Spearman's rank correlation was calculated in order to study the degree of relationship among the four different destinations. The highest correlation is between Munnar and Thekkady and lowest is between Munnar and Vembanad. The Kendall's Coefficient of Concordance is calculated to investigate the degree of concordance between the different rankings. The calculated value shows that there is an average concordance between various ranks.

In the sample destinations we can see that 42 per cent have received 60-80 per cent of their income from tourism. However in Kovalam nearly half of them have above 80 per cent of their income from tourism. But the people are reluctant to re invest major share of their income to tourism related activities. The factors considered under the income variable

included percentage of tourism income with reference to total income, reinvestment in income, extent of investment shifted, influence of infrastructural development and infrastructural facilities in the locality which affected income. The total score analysis for the variable income shows that, percentage of tourism income with reference to total income is the leading factor for the development of their locality. The group score analysis also showed that in beaches, backwaters, hill stations and wild life sanctuaries the percentage of tourism income with reference to total income is the factor which have the prime influence on income. The calculated value of Spearman's rank correlation shows that there exists perfect correlation between Munnar -Thekkady, Munnar-Vembanad and Thekkady-Vembanad. Kovalam-Munnar, Thekkady-Kovalam and Vembanad-Kovalam represent high degree correlation. The Kendall's W for income variable shows average concordance.

The role of tourism to change the standard of living of the people is significant. Because tourism improves the public utilities like water, drainage facilities, sanitation facilities, transportation and health care. All these together contribute to the better standard of living of the natives. The ways in which tourism changed the standard of living of the people include dressing, food habits, communication skill, consumption pattern, mode of living, attitude of the people towards the society and humanity and others. According to them tourism have changed the attitude of the people. The overall opinion about the extent of tourism changed the standard of living of the people is very high. In the same way, tourism has affected the mode of living and attitude of the people. Interactions with the people who are coming from a different social and cultural environment have changed the people. All the respondents are of the opinion that tourism helped to remove poverty in their locality. The main argument is that tourism provides an opportunity to all especially the uneducated and unskilled to enter into the labour market and there by earn their means. The ways in which tourism helped to earn livelihood to local people include trading of local products and services, providing tour-guide services, developing local tourists' attractions, marketing cultural products and providing local foods. Providing local food is a best way for the local uneducated having less investments. Tourism also provides an opportunity to the cultural change of the local people due to interpersonal relationship with the tourists. But majority considered the role of tourism as low. Tourism provided modern amenities in their area compared to nearby places. The important of them are better transportation facilities, electricity without fail, improvement in the constructions, increased shopping facilities, branded products, frequent maintenance of the road, better waste disposal facilities and advanced technology. There exists perfect positive correlation (Spearman's rank correlation) between Munnar-Vembanad. On the other

hand the lowest correlation is existed between Thekkady-Kovalam. The Coefficient of Concordance for standard of living variable shows that there is average concordance between the various ranks.

The role of infrastructure development is very crucial to the development of tourism. Half of the local people are of the opinion that tourism helped to develop infrastructural facilities of their region moderately especially from Vembanad and Munnar. The characteristics discussed under infrastructure variable include development of infrastructure as a result of tourism, difference in the development of infrastructure facilities in the locality compared to other areas, creation of jobs to local people because of infrastructure development as a result of tourism, infrastructural development is a must for the development of the locality, extent of infrastructural development for the development of the locality, impact on infrastructure. Here half of the respondents admitted that there is considerable difference in the development of infrastructure facilities in their locality when compared to other areas as a result of tourism development in their locality. They strongly argued that infrastructural development is a must for the development of their locality and its extent is very much. Local people expressed their overall opinion about the impact of tourism on infrastructure as moderate. Spearman's rank correlation was calculated and it is perfect positive correlation between Kovalam-Vembanad. On the contrary there exists negative correlation between Thekkady-Kovalam, Thekkady-Vembanad and Munnar-Thekkady. Kendall's W or the Coefficient of Concordance for infrastructure variable shows that there is very low concordance between the various ranks.

In the case of local industry variable local people are of the view that the extent of tourism in the development of the local industries in their locality is satisfactory. The tourists are not only attracted by the natural beauty of the destination but also by the locally available products. The major ways are new and enlarged market for their products, good recognition to their products especially from non Malayalees and there by exporting their products. They ranked new and enlarged market for their products as first and chances for exporting their products as a result of international recognition as second and use of innovative technology as third. Local people considered the growth in the consumption of local industries' products as a result of tourism as moderate. 3/4th of the locals differentiated their products to attract more tourists. The major differentiating techniques followed by the local industrialists include change their products into high quality products, giving attractive offers, put artistic design to the packing (especially Kerala culture), highlight the relation between tradition and importance of the locality to the products and finally canvassing. But their degree of product differentiation varies. Half of them moderately differentiated their products. The highest

value of Spearman's rank correlation is existed between Vembanad-Munnar and zero correlation exists between Kovalam-Munnar. The Coefficient of Concordance for local industry variable is shows that there is very low concordance between the various ranks.

Regional development and tourism are closely connected. Tourism provides an opportunity to urban revitalisation and there by regional development. Promotion of tourism accelerates regional development. When we compare the tourist destination to the nearby locality we can see that tourism have acted as a facilitator for the regional development compared to other neighbouring non tourist areas. They argued that tourism converted local unskilled themselves into skilled manpower in a moderate level. Along with this people are of the opinion that tourism helped to redress the regional imbalances of their region. Spearman's rank correlation shows that highest correlation exists between Kovalam-Vembanad and negative correlation between Thekkady-Vembanad. Kendall's W shows that there is very low concordance between various ranks.

Local people ranked high taxes and lack of adequate infrastructural facilities are the most important obstacles for tourism development to their locality. They considered encouraging domestic tourism as the most important method to extent seasonality, followed by marketing tourism in foreign countries. According to them the most important strength of Kerala tourism is its tagline "God's own Country". This catchy slogan gained immense popularity among the tourists both foreign and domestic. As a result Kerala became a Global brand in tourism and achieved high number of national and international awards. Another thing is the segmented tourist packages offered by Kerala tourism which attracted a lot of tourists each year. As a tourist destination Kerala is having a lot of strengths like vast greenery, knowledge of English by majority of local people, efficient transport facilities, rich history and heritage and rare conglomeration of all the type of tourism. In spite of all these strengths Kerala tourism is also having some weaknesses. The important of them include lack of proper solid waste management, limited number of tour packages to attract international tourists, over charging of services, lack of serviced accommodation at highest quality level, lack of proper regulations from the part of the government, poor tourism promotional strategies and techniques, insufficient funds for tourism promotion and infrastructure developments, infrastructural issues with respect to air transport and distance from major markets. The most important opportunities of Kerala tourism sector is projecting ayurvedic system of medicine and the traditional art forms. Other opportunities are skilled and unskilled labour force available in the state, scope for food and heritage tourism, increased scope for medical tourism, farm tourism and eco tourism, willingness of private entrepreneurs and multinational

corporations to invest in Kerala tourism. The important threats of Kerala tourism include the competition from the other tourist centres within the country (Goa, Tamil Nadu and Karnataka) and outside the country (Sri Lanka, Singapore and Malaysia). Other important threats are anti social activities from the part of the natives like robbery, attacking and hartals, existence of unethical traders and unlicensed agencies in the tourism sector, exploitation of natural resources, environmental pollution, ecological hazards and cultural degradation and quality concerns in health tourism services especially Ayurveda packages.

In order to have clear idea of the impact upon the economy visitors are also interviewed. According to them they get information from different sources like periodicals, tour operators, internet or website of Kerala tourism department and from their own personal interest. All the foreign tourists and 3/4th of the domestic tourists selected Kerala because of its natural beauty and 4/5th of them reached here by way of air. Booking the trip through the tour operator is the way used by the tourists and selected the accommodation in starred hotel. They are aware that Kerala tourism is one of the super brands in India and heard about Kerala tourism slogan- "God's own country". They rated Kerala as very good and general assessment of the trip is highly satisfactory. All of them are ready to recommend Kerala to their friends and others because they think Kerala is a safe destination and ready to come again to Kerala. When they were asked to mention the drawbacks in the Kerala tourism they point out some problems like unhygienic condition, corruption, expensive and lack of accommodation, anti social activities and hostile treatment from the natives. Similarly they revealed some problems specific to the destinations like food problems, lack of toilet facilities, congestion or crowdedness in the destination, high rates of accommodation and lack of ATM & credit card facilities.

The existence of tourism sector is upon the high quality environment, either it is manmade or natural. So this thick relationship results into positive and negative environmental impact. There are two types of effects to tourism positive impacts and negative impacts. These negative impacts occur when the level of visitor use is greater than the environment's ability to cope with this use within acceptable limits of change. Uncontrolled conventional tourism poses potential threats to many natural areas around the world. They are of the view that air pollution is moderate especially in Munnar and not at all serious in Kovalam. Another type of pollution is surface water pollution, including rivers, streams, lakes, ponds and coastal waters. One of the major tourist attractions is the backwaters. Now they face the problems of pollution and encroachment. According to the local people surface water pollution, including rivers, streams, lakes, ponds and coastal waters is serious in the tourist destinations. In the

backwater region of Kerala the people are entirely depended on the back waters for their day to day affairs like drinking, bathing, cooking, fishing and other livelihood activities. But the poorly managed houseboat tourism affected the quality of the water and finally leads to the health problems to the locals. Kerala is home to many types of flora and fauna and is famous for that. But the uncontrolled and unrestricted tourism causes damage to these flora and fauna. Mainly the damage is caused by the pollutions caused by tourism like air pollution, surface water pollution, ground water pollution, pollution of domestic water supply, noise pollution, solid waste disposal problems and water drainage and flooding problems. The locals are of the view that damage to the flora and fauna is moderate in Kerala. Ecological damage, including land and water areas, wetlands and plant and animal habitats in general is also the consequence of other types of pollution in the environment. In Kerala ecological damage is minor.

Vehicle to vehicle conflict is a major problem during traffic problems. During the peak seasons of tourism destinations feel heavy congestions both pedestrian and vehicle. This is suffered heavily by the local because these congestions affect their daily routines. So to the locals congestion is serious. In order to attract the tourist throughout the year tourist landscapes are constructed through large number of symbolic and material transformations of original the landscape. This definitely destructs the originality of the landscapes. But this problem is less in the tourist destinations of Kerala and they considered it is minor. The environmental health problems as a result of tourism are also minor in their destinations. Kerala is famous for its natural beauty and this type of destructions is lower here. In the view of local people damage to historic, archaeological and cultural sites is minor. In line to the construction of hotels, cabins and paths, large trees and hill tops are destroyed. This finally leads to the erosion and destruction in the forest areas. According to the natives the role of it is minor. Likewise coastal erosion occurs as a result of construction projects and tourism activities on or near beaches. To them it is minor.

7.3) CONCLUSION

This study in general examines the diverse activities of tourism industry at Kovalam, Munnar, Thekkady and Vembanad. The results showed a positive and significant relationship between tourism and growth. The tourism industry has emerged as one of the fastest growing productive sectors in Kerala. The Government has to sustain the image of high quality destination and has to preserve the environmental integrity of the destinations. Planned and systematic approach along this direction can bring more economic benefits to the locality

while conserving the nature and culture. The contribution of tourism to growth depends on the extent to which foreign earnings are retained in the economy. It is normally believed that the degree of leakage for the industry is low since the majority of the tourism related enterprises have been constructed by using local capital. Therefore, it can be inferred that Kerala benefits a lot from tourism, particularly in terms of foreign exchange earnings and employment since the industry is mainly labour-intensive. That is the increasing role of tourism in Kerala is supported by the higher positive economic impact than the low negative environmental impact. So For the further development of the tourism industry the government should focus on giving proper training to the abundant manpower in the state and encourage private participation. Kerala tourism industry is experiencing an impressive growth but balancing the requirements of economic growth and environmental sustainability is a major challenge because, if not tourists will kill tourism.

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APPENDICES

Appendix 1.1: Definitions of Tourism

The word tour is derived from the Latin word 'tornare' and the Greek word, 'tornos', meaning 'a lathe or circle i.e., the movement around a central point or axis'. The suffix -ism is described as 'an action or process, typical behaviour or quality'. At the same time the suffix, - 'ist' indicates 'one that performs a given action'. So as we combine the word tour and the suffixes 'ism' and 'ist', it implies the action of movement around a circle. The word circle is used because it represents a starting point, which finally returns back to its starting. So like a circle, tour also shows a journey of a round-trip i.e., departure from a place and finally return to the departure place. As a result, one who takes such a journey can be called a tourist.

In 1976, the Tourism Society of England defined, "Tourism is the temporary, short term movement of people to destination outside the places where they normally live and work and their activities during the stay at each destination. It includes movement for all purposes". The word 'tour' is defined by Webster's dictionary as, "a circular trip usually for business, pleasure or education during which various places are visited and for which an itinerary is usually planned". According to the Encyclopaedia of Tourism "a tour is now commonly used in two distinct senses, to describe either a day trip or excursion or any touristic journey involving a period of travel and overnight stay".

A more precise definition is given by Swiss professors, Hunziker and Krapt. According to them, "tourism is the totality of the relationship and phenomenon arising from the travel and stay of strangers, provided the stay does not imply the establishment of a permanent residence and is not connected with a remunerated activity. Tourism is indeed a challenging multi sectoral industry and constitutes a multi disciplinary field of study. It presents an unparalleled challenge to almost all countries of the world". The United Nations World Tourism Organization (UNWTO) defines "Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business or professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure" (United Nations World Tourism Organization, 2008). The definition of tourism in Indian version has been originated from the Sanskrit basis "ATNA". They are Paryatna means going away for

happiness and knowledge, Desatna means going away for financial benefits and Tirtatana means voyage for spiritual reasons.

In 1994 United Nations categorized three types of tourism

- ✚ Domestic tourism: residents of a country visiting their own country
- ✚ Inbound tourism: non-residents visiting a country other than their own
- ✚ Outbound tourism: residents of a country visiting other countries

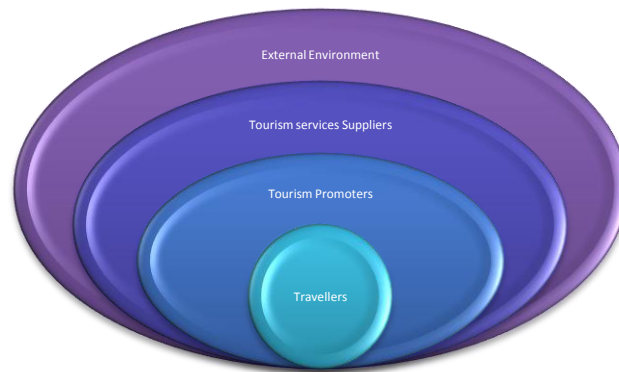
These three types of tourism can be sub-categorized by UN into

- ✚ Internal tourism, which comprises domestic tourism and inbound tourism
- ✚ National tourism, which comprises domestic tourism and outbound tourism
- ✚ International tourism, which comprises inbound and outbound tourism

Leiper (1990) has considered tourism as a system and also suggested a model for that. The model initiated by Leiper has three components and which functions in the backgrounds like human, socio-cultural, economic, technological, physical, political and others. Tourists, geographic elements and tourism industry are the components he identified. According to him, the tourist is considered as the chief and most important of the system. Traveller generating region (where the tourists are emerging from), tourist destination region (where the tourists are attracted to and going to) and transit route region (the area between tourist generating area and the destination area) constitutes the second component called geographic element. The final component tourism industry is the merging up of many industries which deliver tourism products. These industries include airlines, hotels and shopping centres. All these components interact with each other in transporting and managing the products. Tourists act as the central part of the tourism activities and turned into the centre of the model.

Theoretically, the essential characteristic of tourism includes travellers, tourism promoters, tourism service suppliers and external environment. The integrated model of tourism by including all these characters can be shown in figure 1.1. By analysing each component in detail we can see sub components under these components. The component tourism promoters include travel agents, incentive and meeting planners, direct marketing, tourist boards and tour operators. On the other hand, tourism service suppliers comprise accommodations, food and beverages, transportation, attractions and entertainment and destinations. The final component external environment is the sum of the economy, politics, technology, environment and society or culture. The North

FIGURE 1.1: INTEGRATED MODEL OF TOURISM



Source: compiled by the scholar

American Industry Classification System created a group of industries related to tourism by including transportation, recreation and entertainment, food and beverage services, travel services and accommodation. This categorization is based on the inputs used and similarities in the working processes.

Appendix 1.2: Concepts Related to Tourism

There are different concepts related to tourism. They are:

1.2.1) Tourist

The World Tourism Organization defines “tourists as any person travelling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited”. So tourists are temporary travellers for the purpose of pleasure from the novelty and change he experienced as a result of the travel. Thus a person can be a tourist if he is travelling for happiness or family motives or health or meeting or business purposes or in the course of a sea cruise. On the other hand, a person cannot be a tourist if his arrival is remunerated or he came to establish a dwelling in the country or he is a student in boarding or his residence is in one country and working in the neighbouring country or he is passing the country without stopping.

1.2.2) Domestic Tourist and Foreign Tourist

There are two types of tourists, foreign tourists and domestic tourists. According to the recommendations of the UNCITT (Rome 1963), tourism department of Government of India defined foreign tourist as “a person visiting India on a foreign passport, staying at least 24 hours in India and the purpose of whose journey can be classified under one of the following headings:

- ✚ Leisure (recreation, holiday, health, study, religion and sport)

✚ Business, family, mission, meeting”,

and “a domestic tourist is a person who travels within the country to a place other than his usual place of residence and stays at hotels or other accommodation establishments run on commercial basis for a duration of not less than 24 hours or one night and for not more than six months at a time for any of the following purposes:

- ✚ Pleasure (holiday, leisure and sport)
- ✚ Pilgrimage, religious and social functions
- ✚ Business conferences and meetings
- ✚ Study and health”.

1.2.3) Employment

Employment in tourism industry is a measurement of the individuals working in tourism industry as their main job.

1.2.4) The Place of Usual Residence

The place of usual residence is the geographical setting where the tourist usually resides.

1.2.5) Tourism Expenditure

Tourism expenditure refers to the total amount paid for the purchase of goods and services and other valuable items for their own use or to offer for and in tourism trips.

1.2.6) Domestic Tourism Expenditure

Domestic tourism expenditure is the tourism expenditure of the domestic tourist within their own economy.

1.2.7) Foreign Tourism Expenditure

Foreign tourism expenditure is the tourism expenditure of the foreign tourist where they are visiting.

1.2.8) Tourism Industries

The tourism industries include all the industries which have the characteristic of tourism activities. It includes accommodation for visitors (which includes hotels, homestays and similar firms), food and beverage serving activities, passenger shipping (including railway, road, water and air), travel agencies and other reservation service activities and other tourism industries.

Appendix 1.3: Motives behind Travel

People like to travel because of different causes. The basic causes for a trip can be divided into three groups. They are vocation and leisure tour, visits to friends and relatives and business or professional travel. A lot of factors are there which motivate the travelling decision of a potential tourist. These motivational forces are classified into physical

motivators, cultural motivators, interpersonal motivators and status and prestige motivators. Physical motivators are connected with the individual's bodily health and well-being i.e., physical relaxation and rest, sporting activities and specific medical treatment. On the other hand, desire to know regarding other countries, their people and their cultural heritage articulated in art, music, literature and folklore are included in the cultural motivators. At the same time interpersonal motivators connected to a wish to visit kith and kin, friends or to escape from one's family, work mates or neighbours, or to meet new people and create new friendships, or just to run away from the routine of daily life. But the status and prestige motivators are related to the desires of personal esteem and personal development. So these are connected to voyage for business or professional interests, for the purpose of education on the pursuit of hobbies. Thus, keep away from the daily routine is the most significant motive of travel. That is people are travelling to stay their body and mind healthy by leisure, rest and recreation, for healing baths and medical treatment, for partaking in a range of sporting activities, visiting religious places and to broaden and enrich their knowledge.

Appendix 2.1: History of Tourism

The tradition of tourism has its beginning with the commencement of man's history. In the early stages people travelled to distant parts of the world for leisure, to see great buildings, art works etc. The modern type of travel was first formed by the Greeks and the affluence of Roman Empire was also helped to the development of the travel. One peculiarity of this travel was it was only restricted to the wealthy classes. But in the Middle Ages (5th to 14th Centuries), all the religions especially Christianity, Buddhism, and Islam had motivated also the lower classes to undertake pilgrimage. These journeys are for the healthiness or religious enhancement along with the sightseeing. Modern tourism had its origin from the Grand Tour. Grand Tour was undertaken by the upper class European, as a status symbol, mainly from Western and Northern European countries. It was a traditional trip underway from 1660s (1613 to 1785 A.D.). Also we can see such type of journeys among the rich young men of Protestant Northern European. That is, in the second half of the 18th century youths from South America, U.S. and other overseas joined the trip by including middle class groups. United Kingdom was the first country in the world which encouraged leisure tour to increase industrial population as a result of Industrial Revolution. At the initial stage it was restricted to the owners of the equipments used in the production, the financial oligarchy, the factory owners and the merchants. The first official travel company was formed in 1758 by Cox & Kings. After that in different countries this type of companies formed in different

names. On 5th July 1841 Thomas Cook (known as the father of travel and tourism) organises first group tour in England. This was in a privately chartered excursion train. After four years he started overseas excursion. In 1844 Peninsular & Oriental Steam Navigation Company (P&O) introduced first leisure cruise ships. Cruising is most important form of water tourism. In 1867 Thomas Cook introduced 'Hotel voucher' and 'Circular Note' in 1873.

The first purpose-built cruise ship was built in Hamburg in 1900. First air flight by Wright brothers in 1903 changed the sphere of tourism. In 1920 Chartered flights are appeared in tourism. In 1946 the first International Congress of National Tourism Bodies meeting was held in London. This decided to create a new organisation instead of IUOPTO. The IUOTO first Constitutive Assembly was held in The Hague and its temporary head quarter was established in London in 1948. It got the UN consultative status in the same year. After that commercial air transportation became cheaper in 1950. Before 1950s tourism in Europe was mainly domestic travel with slight international. But during the World War II period a lot of factors like increase in the working community, changes in the people's disposable income, leisure time availability, people's changed attitude towards leisure and work etc. changed the pattern of international movement. The cheaper commercial air craft in the 1960's changed the style of tourism in the world as a whole. Now it became the business of common man. In 1963 United Nations Conference on Tourism and International Travel was held in Rome. This meeting defined 'visitor' and 'tourist' in international statistics. In 1967 United Nations declared 1967 as International Tourist year. The slogan of this International Tourist Year was 'Tourism, Passport to Peace'. The IUOTO Special General Assembly meeting held in Mexico on 27th September 1970 adopts the statutes of World Tourism Organisation. From that onwards 27th September will be celebrated as "World Tourism Day". As a result WTO came in to operation on November 1st 1974. The first General Assembly of WTO was conducted in Madrid in 1975. The Manila Declaration of World Tourism was adopted by the World Tourism Conference held in Manila. In 1980's we can see the increasing popularity of sports tourism. In 1987 World Commission on Environment and Development was held, which defined Sustainable Tourism. In 1989 Hague Declaration on Tourism was adopted by the Inter-Parliamentary Conference on Tourism. And also Eighth General Assembly of WTO was held in the same year. The history of tourism can be summarised as a table (Table appendix.1)

Table Appendix.1: Milestone in the Development of World Tourism

| Period | Milestones |
|--|---|
| Pre recorded History | Travel begins to occur out of a sense of adventure and curiosity. |
| 4850 BC-715 BC | Egyptians travel to centralised government locations. |
| 1760 BC-1027 BC | Shang dynasties established trade routes to distant locations throughout the Far East |
| 1100 BC- 800 BC | Phoenicians develop large sailing fleets for trade and travel throughout their empire |
| 900 BC-200BC | Greeks develop common language and currency , and travel services emerge as city-states become destinations |
| 5100 BC-300AD | Romans improve roads, legal system and inns to further travel for commerce, adventure and pleasure. |
| AD 300- AD900 | Mayans establish trade and travel routes in parts of Central and North America |
| 5th-15th century AD | Dark Era of Tourism |
| AD1096-AD1295 | European travel on failed religious crusades to relate the Holy Lands from Muslim control introduced these military forces to new places and cultures |
| AD 1275-AD1295 | Marco Polo’s travels throughout the Far East begin to heighten interest in travel and trade |
| 14 th -16 th Centuries | Trade routes develop as commercial activities grow and merchants venture into new territories |
| AD 1613-AD1785 | Grand Tour Era makes travel a status symbol for wealthy individuals |
| 1758 | Cox & Kings, the first known travel agency, was founded |
| 1763-1773 | Renaissance stage of tourism |
| 18 th -19 th Centuries | Industrial Revolution gives rise to technological advances, making travel and trade more efficient and expanding |
| 1820 | Introduction of regular steamboat services |
| 1830 | First passenger train service begins |

| | |
|--------|---|
| 1841 | Thomas Cook organises first group tour in England |
| 1844 | Peninsular & Oriental Steam Navigation Company (P&O) introduced first leisure cruise ships |
| 1900 | The first purpose-built cruise ship was built in Hamburg |
| 1903 | Wright Brothers usher in an era of flight with the first successful aircraft flight |
| 1913 | Westing house Corporation institutes paid vocations for its workers |
| 1914 | Henry Ford begins the mass production of the Model T |
| 1919 | First scheduled airline passenger flight debuts between London and Paris |
| 1920 | Chartered flights appear in tourism |
| 1945 | IATA was established |
| 1946 | The First International Congress of National Tourism Bodies decides to create a new international non-governmental organization |
| 1947 | IUOTO was constituted |
| 1948 | Creation of the European Travel Commission (ETC), the first Regional Commission within IUOTO |
| 1950 | Diners Club introduces the first credit card |
| 1950 | Commercial air transportation increased and air transportation became cheaper |
| 1951 | IUOTO transfers its headquarters to Geneva, Switzerland |
| 1952 | Jet passenger service inaugurated between London and Johannesburg, South Africa. |
| 1954 | IUOTO takes part in the United Nations Conference on Customs Formalities for the Temporary Importation of Private Road Motor Vehicles and for Tourism |
| 1958 | Boeing 707 jet was introduced |
| 1960's | First global distribution systems developed by American Airlines |
| 1963 | The United Nations Conference on Tourism and International Travel meets in Rome |

| | |
|------|--|
| 1966 | UFTAA was founded |
| 1967 | The United Nations declares International Tourist Year (ITY), with the slogan Tourism, Passport to Peace |
| 1970 | First wide-bodied jet (Boeing 747) appeared in service(capable of carrying 400 pax) |
| 1970 | Adopts the statutes of the World Tourism Organisation |
| 1974 | WTO came in to operation on November 1 st |
| 1975 | WTO began its legal existence |
| 1976 | The WTO General Secretariat is set up in Madrid |
| 1978 | Competition on routes and fares begins with signing of Airline Deregulation Act |
| 1980 | The World Tourism Conference adopts the Manila Declaration on World Tourism |
| 1982 | The World Tourism Conference adopts the Acapulco Document |
| 1985 | The VI WTO General Assembly adopts the Tourism Bill of Rights and Tourist Code |
| 1987 | The Philadelphia Convention & Visitors Bureau forms the Multicultural Affairs Congress to promote African-American conventions and tourism |
| 1987 | World Commission on Environment and Development(which defined Sustainable Tourism) |
| 1989 | VIII WTO General Assembly |

Source: Compiled by the researcher

2.1.2) History of Indian Tourism

Indian tourism also had a dazzling history. A lot of ancient travelers like Huan Chang and Fahien from China and Alberuni from Arabia gave a descriptive travel accounts on various aspects of Indian tourism. India offers very delightful scenes to its visitors. A lot of travelers were attracted to India because of its diversity in its tourism products like monuments, architecture, traditional dances, scenic beauty, festivals and customs. Some people are also attracted by its cultural glory and hereditary of the oldest civilisation. Up to 18th century we can see that India is restricted to traders and pilgrimage. But in the 19th

century group tourism appeared as a movement for study abroad. Yet the importance of travel and tourism in India was identified by the Britishers in the 20th century. Britishers preferred the Northern part of India because of the cooler climate there and the Indian summer was unbearable to them. So they inhabited there from the period 1825 to 1840. It was the starting of Indian tourism.

In order to promote tourism in India the Britishers formed a commission in 1945 under Sir John Sargent, the then educational advisor. The Committee's Interim report was submitted in October 1946. Then, to suggest ways and means to promote tourist traffic in India an informal tourist traffic committee was established in 1948. The number of foreign tourists arrived in India reached the number of 16829 in 1950. In 1951 India became the first Asian country which opens Overseas Tourist Offices. So in 1957 the Department of Tourism and in 1958 Tourism Department Council were formed. In 1960 the number of foreign tourists reached 123095. In 1963 Air India Airline was established and air transport industry in India became nationalised. It contributed much to the expansion of tourism industry in the country.

Subsequently in 1965 the government formed three different organisations for the revival of the sector. These three organisations are Hotel Corporation of India Limited, Indian Tourism Corporation Limited and India Tourism Transport Undertakings Limited. Immediately after that in 1966 these three wings were merged together and formed a new organisation called India Tourism Development Corporation Limited in New Delhi under the control of Department of Tourism. At the present these organisations have a major position in the encouragement and implementation of tourism in the country. After that Ministry of Tourism and Civil Aviation was established by the government in 1967. The number of foreign tourists has increased to 1253694 in 1980 from 280821 in 1970. The government introduced first National Tourism policy in 1982 and the second in 1988. For the first time the government declared tourism as an industry in 1986 and separate department with cabinet minister was formed in the same year. In continuation with this Tourism Finance Corporation of India Limited was established in 1988 for the up gradation of the sector. All these measures led to the increase in the number of foreign tourists in 1990 to 1707158.

2.1.3) History of Kerala Tourism

In India major tourism paths moved to the northern region. So Kerala was relatively unknown to the tourists. The state was aware about the significance of tourism merely in the

1980's. The development of this sector was hastened by the marketing movements of the Kerala Tourism Development Corporation. This is a governmental body for the management of tourism sector in the country. In July 11, 1986 Kerala declared tourism as an industry. Kerala was the first state in the country which declared tourism as an industry. The country itself declared only after the state's declaration. As a result a lot of incentives were offered to the tourism investors by the state. Earlier it was offered to the manufacturing sectors only. These offers include subsidies, technical guidance, marketing assistance, publicity through governmental publications, help in availing loans etc. In its advertisement campaigns Kerala tourism accepted the tagline God's Own Country. This helped to encourage fairly large investment in this industry. In Kerala also we can see a lot of travel agents and tour operators, they aimed to increase the number of travellers to the state. But later the travel agents also pay attention to the damaged potentials of the state as a tourist spot. In Kerala the first travel agency was Kerala Travel. Kerala Travel was established by Col G.V. Raja of the Travancore royal family and P.G.C. Pillai. Now the state government is taking a lead role for the progress and expansion of the tourism sector. As a result the department of tourism in Kerala won many prestigious awards and captions in national and international level.

Appendix 2.2: Tourism Development during the Plan Period

Tourism as a topic is not pointed out in the Constitution of the country but some components of tourism were mentioned in the central and state lists. During the First Five Year plan period the matter of tourism was looked after by the Ministry of Transport, under a separate division formed in 1949. As a result the allocations made for transport also included investment to be made for tourism. The provisions for tourism development in the First Plan included the making of publicity material for the participation in exhibitions and screening of films and starting of tourist offices within the country and abroad. In the First Five Year Plan there was no allocation for tourism. But the Second Five Year Plan was important landmark for tourism industry. For the first time, tourism became a constituent of the national development plan during the Second Five Year Plan (1956-61). An allocation of Rs.3.36 crore, including Rs.1.78 crore in the state sector, was fixed during the term. The main emphasis during this plan was on providing accommodation, transport and recreational facilities at important centres, especially those situated in far off places. Broadly, the development schemes taken up during the plan could be classified into three categories, viz.

- ✚ Schemes for development of facilities at a limited number of places visited largely by the foreign tourists and wholly financed by the Central Government

- ✚ Schemes intended to provide facilities for domestic tourists at centers visited both by Central and State Government in the ration of 50:50 and
- ✚ Schemes which were wholly financed and executed by the state governments for the development of centers of regional and local importance.

2.2.1) Third Five Year Plan (1961-66)

The tourism development programmes for the Third Five Year Plan largely concentrated on the provision of facilities like accommodation and transport, except for a major scheme for the establishment of a ‘Winter Sports Complex’ at Gulmarg in Jammu and Kashmir State. The plan period thus witnessed the beginning of an era for the development of activities connected with tourism, particularly adventure tourism. The total plan allocation was Rs.8crore including Rs.450 lakhs in the state sector.

2.2.2) Annual Plans (1966-69)

The basic approach towards tourism development and the commitment of the government continued to be the same during the Annual Plans from 1966 to 1969. In a determined effort to increase the tourist traffic from Europe, the government launched the ‘Operation Europe Scheme’ in 1968. It was a unique scheme under which the Department of Tourism and the national carrier, Air India, formed a single team for stepping up the promotional efforts in Europe.

2.2.3) Fourth Five Year Plan (1969-74)

The Fourth Five Year Plan introduced major changes in the development strategy for tourism. The broad approach directed towards expansion and improvement of tourist facilities with a view to promote ‘destination traffic’. The Plan envisages integrated development of selected areas and encouragement of ‘charter traffic’. Emphasis was also laid on the provision of accommodation, transport and recreational facilities. The outlay provided for tourism schemes during the plan period was Rs.36 crore, including Rs.11 crore in the state sector. The schemes of the central government included loans to hotel industry in the private sector, loans for the purchase of tourist vehicles by private operators and integrated development of selected centers. An outlay of Rs.12.77 crore was provided to ITDC for the construction of hotels, motels and cottages, renovation and expansion of tourist bungalows, setting up of transport units and establishment of duty free shops. In the state plans, provision was largely made for domestic tourist facilities, which generally included construction of low income rest houses, development of tourist centers and promotional activities.

2.2.4) Fifth Five Year Plan (1974-78)

The government for tourism development was further intensified during the Fifth Five Year Plan period. The emphasis was on integrated development of selected tourist centers like Kovalam, Goa, Kullu-Manali, which became symbolic models of resort tourism in India. The other investment priorities during the plan period were provision of additional accommodation and transport facilities and tourism promotion and publicity in the overseas markets. The outlay provided during the plan period was Rs.133 crore, including Rs.55 crore in the state sector.

2.2.5) Annual Plans (1978-80)

During this period the tourism strategy remained unchanged.

2.2.6) Sixth Five Year Plan (1980-85)

The Sixth Five Year Plan was a key milestone in the history of tourism in India. 'Tourism Policy' for the first time in India was announced in 1982. It offered an action plan based on 'Travel Circuit' to exploit the benefits of tourism. The Sixth Five Year Plan rolled out investment policies in the tourism sector with an aim to increase substantially the tourist accommodation and optimize the use of existing capacity. The Department of Tourism emphasized on the development of selected beaches, mountain resorts, wildlife and cultural tourism, training and overseas promotion. During this plan period, the Indian Institute of Travel and Tourism Management was established as an apex institution for tourism education in 1983. The total plan outlay for tourism in this plan was Rs.187.46 crore, out of which a total of Rs.115.46 crore for the state sector.

2.2.7) Seventh Five Year Plan (1985-90)

The Seventh Five Year Plan recognised tourism as a priority sector and sought to provide the essential support facilities for its sustained growth. The total plan outlay in this plan was Rs.326.16 crore. The sector was accorded the status of an industry and for the first time its development was included as a plan objective in the planning process. The objectives of the tourism plan were stated as redefining the role of public and private sectors to ensure private investment in developing tourism and to direct public sector investment mainly towards the development of support infrastructure and exploiting the tourism potential to support local handicrafts and other creative arts with an objective to promote national integration. In 1986 the National Committee on Tourism was set up by the government. The aim of this committee was to evaluate the economic and social relevance of tourism in India and to draw

up a long measure for ensuring accelerated growth of tourism. On the basis of the recommendations of this committee a package of incentives were offered for tourism industries. Also Tourism Finance Corporation of India was established to finance tourism projects.

2.2.8) Eighth Five Year Plan (1992-97)

The National Action Plan for Tourism, 1992, formed the basis of Eighth Five Year Plan. This Action Plan planned to accelerate growth of tourism infrastructure, remove of all impediments to tourism, effective marketing and promotional efforts in the overseas markets and achieve diversification of tourism product. The expansion of all inclusive 'Special Tourism Areas' and rigorous expansion of particular circuit was the major component of Action Plan. But it did not identify the infrastructural requirements and the investments required to meet the targets and source of funding for the same. Some of the major recommendations in the plan, in relation to tourism were the future growth of tourism should be achieved mainly through private initiative and the role of the state in contributing towards tourism development could be planning broad strategies for development, providing fiscal and monetary incentives to catalyse private sector investment, devising effective regulatory and supervisory mechanisms to protect the interest of the industry, the consumer and the environment, focusing on the promotional strategy during the Eighth Plan on high spending tourists from areas like Europe, USA and Japan and encouraging the Private Sector to invest in developing tourist transport etc.

In fact, the basic thrust in the Eighth Plan document was on encouraging Private Sector participation and luring high spending tourists. The 'Tourism Synergy Programme' was prepared in 1993 and it further modified and changed into 'National Strategy for the Development of Tourism' in 1996. A special Task Force was formed by the department of tourism for the promotion of schemes for the development of tourism in the Jammu and Kashmir, hill districts of Utter Pradesh and West Bengal, Arunachal Pradesh, Sikkim and North Eastern States. Senior officers of the department and respective state government and industry representatives visited these areas and action plan was prepared. The total plan outlay was Rs. 272 crore.

2.2.9) Ninth Five Year Plan (1997-2002)

The role of tourism is ever increasing. Over the years, tourism has emerged as a major segment of Indian economy contributing substantially to the foreign exchange earnings which have increased from Rs.48.92 billion in 1991-92 to Rs.104.17 billion in 1996-97. There was a

gradual increase in the plan allocations during the plan which is amounted to Rs.773.62 crore. During the Ninth Five Year Plan, it was recognised that a reappraisal of the role of the state in tourism development and the extent of its participation was needed as it was neither necessary nor feasible for the state to make large investments in areas that were best left to the initiative of the private sector. The state could contribute through infrastructure development, the planning of broad development strategies, the provision of fiscal and monetary incentives to catalyse private sector investment and devise an effective regulatory and supervisory mechanism to protect the interests of the industry and the consumer. The acceptance of this view also led to the commencement of the process of disinvestment in 18 of the India Tourism Development Corporation hotels. In the plan period Export Hose status was granted to tourism units for the enhancement of employment, income generation and foreign exchange earnings through tourism. The major thrust areas in Ninth plan were indigenous and natural health tourism, rural and village Tourism, pilgrim tourism, adventure tourism, heritage tourism and youth and senior citizens packagers. Thus several thrust areas have been recognized for the growth of tourism in the country during the Ninth Plan. The important areas are winter sports, development of infrastructure, wildlife and beach resorts and streamlining of facilitation procedures at airports, trekking, products, human resource development and facilitating private sector participation in the growth of infrastructure.

2.2.10) Tenth Five Year Plan (2002-07)

The Tenth Plan's approach towards tourism signified a distinct shift from the approach adopted in earlier plans. Apart from acknowledging the well accepted advantages of developing tourism for the promotion of national integration, international understanding and earning foreign exchange, the Tenth Plan recognised the vast employment generating potential of tourism and the role it could play in promoting the socio-economic objectives of the plan. For the promotion of the New Tourism Policy of 2002, that was to be implemented to generate awareness about the benefits of tourism for the host population, the Tenth Plan aimed to create a supportive environment. It intended to mobilise state government s to use tourism as a means of achieving their socio-economic objectives; to encourage the private sector; to enhance investment in tourism and provide legislative and regulatory support for sustainable tourism and to protect the interest of the industry and the consumer. The policy envisaged involving the rural sector in the promotion of rural, heritage, adventure and eco-tourism and promoted the development of competitive high quality products and destinations. Most importantly, it proposed to remove the barriers to growth and resolve contradictions in

the policy to achieve inter-sectoral convergence of activities that help the growth of tourism. The planning commission allotted an amount of Rs.5586 crore during the Tenth plan. Major components of the Tenth Plan

- ✚ To develop a national consensus on the role of tourism in the development agenda of the nation through the National Development Council
- ✚ To enhance the effectiveness of public sector investment through the Intersectoral convergence and prioritisation of tourism related infrastructure programmes in other sectors like special tourist trains, rail and aviation links and rural roads.
- ✚ To remove the barriers to growth to leverage private sector investment.
- ✚ To mobilise the support of the primary players viz., the State Governments, in tourism development.
- ✚ To provide legislative and regulatory support to protect the tourism industry, the consumer and the environment.
- ✚ To involve the rural sector in tourism and start mobile training units for service providers in rural areas identified for the development of tourism
- ✚ To augment training facilities in hotel management and food craft and build the capacity of service providers with cutting edge efficiency.
- ✚ To create world class circuits and destinations, eschew haphazard development

2.2.11) Eleventh Five Year Plan (2007-12)

The vision for the tourism Eleventh Five Year Plan was to provide an improved life for the society through tourism activities. During the Eleventh Five Year Plan there was a distinct shift in the approach of tourism development as compared to the previous plans. The vision for the tourism sector for the Eleventh Five Year Plan was ‘to achieve a superior quality of life through development and promotion tourism which would provide a unique opportunity for physical invigoration, mental rejuvenation, cultural enrichment and spiritual elevation’. This vision for tourism development was proposed to be achieved through the strategic objectives positioning and maintaining tourism development as a national priority, enhancing and maintaining India’s competitiveness as a tourism destination, improving and expanding product development, creating world class infrastructure, drawing up effective marketing plans and programmes and developing human resources and capacity building of service providers. During the Eleventh Five Year Plan, the Ministry of Tourism was sanctioned a plan outlay of Rs. 515.6 crore to accomplish the targets set forth in the Eleventh Five Year Plan, the Ministry of Tourism implemented the schemes like Product Infrastructure Development for Destination and Circuits (PIDDC), Overseas Promotion and Publicity,

including Market Development Assistance, assistance to Institute of Hotel Managements/ Food Corporation of India/ Indian Institute of Tourism and Travel Management/ National Institute of Water Sports/ National Institute of Advanced Studies/ National Council of Hotel Management Catering Technology and Capacity Building for Service Providers, domestic promotion and publicity, assistance to large revenue generating projects, incentives to accommodation infrastructure, creation of Land Banks, assistance to Central Agencies, market research including Twenty Years Perspective Plan, computerisation and information technology and others (Externally Aided Projects and Construction of Building for IISM). Consolidated expenditure incurred on the above schemes during the first four years of the plan period is summarised in the table appendix.2:

Table Appendix.2: Expenditure Incurred during the first four years of the Eleventh Plan (Rs. Crore)

| Year | Budget Estimate | Revised Estimate | Expenditure | Percentage of Utilisation |
|---------|-----------------|------------------|-------------|---------------------------|
| 2007-08 | 953 | 953 | 951.81 | 99.87 |
| 2008-09 | 1000 | 1000 | 980.47 | 98.05 |
| 2009-10 | 1000 | 950 | 934.48 | 98.37 |
| 2010-11 | 1050 | 1000 | 997.31 | 99.71 |
| Total | 4003 | 3903 | 3864.07 | 99 |

Source: Five Year Plan documents – Planning Commission of India

2.2.12) Twelfth Five Year Plan (2012-17)

The Twelfth Five Year Plan was approved by National Development Council and new targets have been set. The theme of the Approach Paper is “faster, sustainable and more inclusive growth”. The Approach Paper in broader sense laid down the major targets of the Twelfth Plan, the key challenges in meeting them and the broad approach to be followed to achieve the stated objectives. It proposes a growth target of 8 per cent. As per the Twelfth Plan document of the Planning Commission, “Tourism is the largest service industry in the country”. The Approach Paper to Twelfth Five Year Plan, prepared by Planning Commission, highlights the following regarding tourism sector:

- ✚ In order to realise the potential of this sector, the government would need to adopt a pro-poor tourism approach aimed at poverty reduction.
- ✚ The strategies can be divided into those that generate three different types of local benefits: economic, non-cash livelihood and less tangible

Tourism development should focus on developing tourism from people's perspective by involving local Panchayaths and local communities at various stages. Growth targets have to be linked to the targeted growth of service sector during the Twelfth Five Year Plan. Indian economy is expected to grow at the rate of 9 per cent. To achieve this, service sector as well as the tourism sector has to grow at the rate of 12 per cent per annum. The current rate of growth in tourism sector is about 9 per cent. To realise the above, some targets have been fixed for foreign tourist arrivals and domestic tourism namely increase India's share of international tourist arrivals to at least one per cent by the end of Twelfth Five Year Plan – requiring an annual growth of 12.38 per cent during 2011-2016 and provide adequate facilities for domestic tourism to sustain the growth of 12.16 per cent during the Twelfth Five Year Plan.

Appendix 3.1: Tourism Development Agencies under the department of tourism in Kerala

3.1.1) Kerala Tourism Development Corporation

KTDC is a commercial agency under the Government of Kerala. It was formed in 1966 and became a separate commercial entity by the 1970s. Its main responsibility is to provide accommodation and transportation facilities to the tourists visiting Kerala. For that, it operates resorts, hotels and tourist rest houses in the key locations of the state. It offers different tour packages like back water houseboat holidays, Ayurvedic rejuvenation programmes and leaves travel concession tours. It also undertakes promotion and publicity of the state tourism to a limited extent. It is funded by the state government (sole share holder), institutional loans and central government assistance. The other financial resources of the corporation include institutional finance, assistance from the government of India and internal resources of the corporation. The objectives of KTDC are:

- To promote Kerala as a leading tourist destination
- To provide auxiliary support in developing key tourist destinations
- To act as one-source destination for various information regarding tourist destinations and other related information
- To identify key tourist destinations within Kerala and promote it outside
- To provide highest quality hospitality services to tourists
- To ensure higher returns to government, through financial and social viable projects, and thereby provide employment

KTDC owns more than 40 properties including heritage five-star resorts (Bolgatty Island Resort, Mascot Hotel and Lake Palace), specialty range hotels (Marina House,

Bolgatty Island Resort, Aranya Nivas, Waterscapes, Samudra, Tea Country and Susan Lake Resort), three-star “value plus” range hotels across five districts of Kerala, Tamarind Easy a series of 15 budget hotels, Aaram (motels), Events Hub (Bolgatty Events Center and GV Raja international Convention Center, and Take a Break. Take a Break is the most recent endeavour from the part of KTDC. TAB is a multi utility booth including refreshment center, information center with ATM facility, souvenir shop, pharmacy, rest rooms and cloak room. It is a public private partnership program, i.e., KTDC is assisting the private individuals having these facilities. Presently they own 8 classified hotels, 7 budget hotels, 13 motels, 13 YatriNivas and Tamarind Hotels, 20 Restaurants and Beer parlour, four Restaurants and four Boat Clubs (Economic Review, 2011).

3.1.2) District Tourism Promotion Councils

DTPCs are also for the promotion of tourism in all the districts. It functions under the Department of Tourism, district collectors as chairman and comprises selected people’s representatives and officials as members to deal with the improvement of less branded tourist centres within the districts. It is a new attempt to the implementation and functioning of small and medium size tourism projects at district levels. DTPCs undertake children's festivals, tourism week celebrations, tourism day celebrations, food festivals and such other programmes at the district level to highlight Kerala as a tourist destination. The levels of sanitation in tourist destination are monitored and supervised by the DTPCs. Also it undertakes the development of tourism clubs, home stay scheme, the creation of awareness of facilities and services in their specific area, development of local basic infrastructure and dissemination of tourism specific information.

3.1.3) Tourist Resort (Kerala) Limited (TRKL)

It is a public sector organisation for the mobilisation of the private sector investments and institutional finance. It was formed on August 16, 1986 to develop tourism infrastructure and to promote tourism infrastructure in the state. In 1989 it was separated from KTDC and became an independent company. In association with Taj groups it has four hotels in Ernakulam, Thekkady, Kumarakom and Varkala. To make land available at tourist destinations it has also started a Land Bank project. The other attainments of TRKL include the formation of consultancy cell for tourism development, investment development at tourism Sector and conducting of Investors Meet. The Government of Kerala reconstituted TRKL as Kerala Tourism Infrastructure and Investment Company Limited for the widening of its activities. The TRKL’s activities can be broadly divided into

- Joint Venture Partnership

Under this, the company is developing public-private partnership projects for the development of tourism infrastructure. Example, Taj Kerala Hotels and Resorts, Urban entertainment centre at Veli, Trivandrum etc.

- PPP Venture

Under this, the company is doing development of tourism projects by utilizing idle land owned by the Government in locations having tourism potential on the PPP model. Example, Veli Urban Entertainment Center with an amusement park, recreational hub and cultural museum, the company partnered with mega International Convention Center at Akkulam in Trivandrum along with Raheja Group.

- Government Projects

- Sarovaram Bio Park- Kozhikode
- Thalassery Circuit
- Thali Temple Conservation Project- Kozhikode

- SAPARYA(Synergizing Actions through Participatory Approach)

It is for the developing community based tourist projects. It would deal with the problems of degeneration of culture and heritage, unregulated development, inadequate local benefits, increasing environmental impact and social perception among common people towards tourism. In this ecologically sustainable community, initiatives are developing with the investment of communities and TRKL. The pilot projects are implemented in Kottayam, Kannur (Meenkunnu Beach, Thalassery region), Pathanamthitta (Aranmula, Konni region) and Kasaragod (Bekal, Valiyaparamba region). It also creates linkages with the different sectors of traditional industry, agriculture, people and lifestyle fisheries and heritage.

3.1.4) Bekal Resorts Development Corporation (BRDC)

It was established in 1995 entirely for the development of an integrated tourism project at Bekal. It is to provide marketing resources and to be actively involved in local, regional and state wide marketing promotions (Economic Review, 2011). The major aims of the project are

- To identify, acquire and develop potential resort sites
- Develop and strengthen infrastructure like roads, electricity, sanitation
- Solid waste disposal and water- supply
- Invert promoters and investors

- Market Bekal as an integrated tourist destination
- Co-ordinate development at every level.

3.1.5) Kerala Institute of Travel and Tourism Studies (KITTS)

KITTS was established in 1988 as an autonomous institution under the Department of Tourism. It is for quality education and training in tourism in the state. That is it plays an important role in the manpower training in the field of tourism and undertakes different human resource development programs related to tourism. Now KITTS is conducting different courses like post graduate and diploma courses to enhance skilled manpower existing in the tourism sector. KITTS is affiliated to PATA, IATO, TAAI, KTM, and SKHF. KITTS also provide consultancy to different groups like Kerala State Planning Board, Department of Tourism(Government of Kerala), Department of Forest and Wildlife(Government of Kerala), Directorate of Vocational Higher Secondary Education, Indian Railway Catering and Tourism Limited and various private sector industrial houses. The various research reports produced by KITTS include

- Local Impacts of Tourism Development in Kerala-A Study on Selected Centres
- Incentives and Supports to Backwater Tourism in Kerala- A Study on Houseboats in Alleppy and Kumarakom
- Incentives and Supports to Tourism Projects-A Study on Grihasthali
- A Study on Rail bound Tourists to Kerala
- Restructuring Vocational Secondary Education in Kerala
- Developing Micro Level Enterprise in Eco-Tourism Destinations in Kerala
- Impact of Recession in Tourism in Kerala- A Study on Kovalam
- Positioning Destination Management Councils in the context of Kerala

3.1.6) Thenmala Eco Tourism Society

Thenmala Eco Tourism Society is registered under the Kerala Societies Registration Act. This society consists of the members from the department of tourism, department of forest, department of immigration and department of power. The first phase of the project was completed on January 2001. The major aims of this society are

- Developing Thenmala dam and its surroundings as a unique eco-tourism destination
- Promoting eco-tourism on the basis of principles of ecological sustainability in the surrounding areas of Thenmala

- Developing a well-planned tourism destination with emphasize on sustainable tourism development.

3.1.7) Kerala Institute of Hospitality Management (KIHMS)

The Kerala Institute of Hospitality Management Studies has been set up by KITTS as a hospitality wing. It is conducting Certificate courses in Food and Beverage Service, Food Production and Accommodation Operations.

In addition to these organisations, there are different schemes under the state government for the promotion of tourism. State government introduced the scheme ‘Grihastali’ for the conservation of heritage buildings. Another scheme namely Investment Guidance Cell was introduced for the guidance of private investors in the tourism sector. Centrally sponsored schemes for construction of Yatrinivas and Wayside amenities; various departments of the government like department of power, department of forest and department of irrigation; a number of private sector companies and individuals like Taj, Oberoi, Le Meridian, Golden Tulip, Casino, Mahindra Resort etc. and a group of non resident Keralites are taking an active role in the promotion and development of tourism in Kerala (Seena Augustine, 2009)

Appendix 4.1. Interview Schedule for Local People

**IMPACT OF TOURISM ON ECONOMIC DEVELOPMENT OF KERALA SINCE
REFORMS**

ECONOMIC IMPACT ASSESSMENT SCALE

Name of the Researcher

Shiji O

Name of the Supervisor

Dr. D. Retnaraj

Sir/Madam,

I am coming from the University of Calicut, Department of Economics. I am conducting this survey for my PhD research purpose. Please spend few minutes to provide the following details.

a) Personal Data

1) Name

2) Age (in completed years)

a) Below 21 b) 21-40 c) 41-60 d) above 60

3) Religion:

a) Hindu b) Christian c) Muslim d) Others

4) Sex:

a) Male b)Female

5) Marital status

a) Married b) Unmarried c) Separated d) Widow/widower
e) Others

6) Education

a) Primary education b) SSLC c) Pre-Degree/plus two
d) Graduate e) Postgraduate f) Profession/technical degree holders

7) State

8) Occupation

a) Employee b) owner

9) Place of employment

b) Individual and Local Development due to Tourism

10) What is the nature of your business/occupation? (Put tick mark in the appropriate column)

| Sl. No | Nature of Business | Tick mark |
|--------|--------------------------------------|-----------|
| 1 | Hotels (provides accommodation also) | |
| 2 | Paying Guest Facility providers | |
| 3 | Artists/ Performers | |
| 4 | Spices Shops | |
| 5 | Handicrafts Shops | |
| 6 | Restaurants/Cool bar/Teashop etc. | |
| 7 | Studio/Photographers | |
| 8 | Taxi/Autorikshaw Drivers | |
| 9 | Ayurvedic Centres | |
| 10 | Travel agents/ Tour Operators | |
| 11 | Guides | |
| 12 | Book Shops/Souvenir Shops | |
| 13 | Textiles | |

11) Do you prefer to remain in this present tourism related job?

a) Yes

b) No

12) Have you ever worked in any other job?

a) Yes

b) No

13) If yes, what was your previous work?

14) Why have you are shifted from the previous job and joined into a tourism related job?

| Sl. No | Reasons for Change | Rank |
|--------|--|------|
| 1 | More Profitable | |
| 2 | More Convenient | |
| 3 | Less Risky | |
| 4 | More Encouragement from the Government | |

| | | |
|---|------------------------|--|
| 5 | Better Scope in Future | |
| 6 | Other Reasons | |

15) When did you start this job?

- a) Below one year c) 5 -10 years
b) 1-5 years d) More than 10 years

16) What was your initial investment in this job?

- a) Up to one lakh c) 10 lakh -25 lakh
b) one lakh- 10 lakh d) Above 25 lakh

17) In your opinion is investment in tourism more risky than other areas?

- a) Yes b) No

18) Mention your sources of finance

- a) Personal capital, retained profits
b) Family/friends c) Government grants
d) Bank loans d) Others

19) What is your monthly earning from this job during the season?

| | | | | | | |
|------------|-----------|-------------|---------------|---------------|-----------------|--------------|
| Below 2500 | 2500-5000 | 5000-10,000 | 10,000-15,000 | 15,000-20,000 | 20,000 - 25,000 | Above 25,000 |
| | | | | | | |

20) What is your monthly earning from this job during the off season?

| | | | | | | |
|------------|-----------|-------------|---------------|---------------|-----------------|--------------|
| Below 2500 | 2500-5000 | 5000-10,000 | 10,000-15,000 | 15,000-20,000 | 20,000 - 25,000 | Above 25,000 |
| | | | | | | |

21) If you are an owner of the firm how many people are working under you?

22) Specify the average number of employment generated by your business?

| Items | Seasonal | Off Seasonal |
|-----------------|----------|--------------|
| To Local People | | |
| To Outsiders | | |
| Total | | |

23) Category of employment generated in your firm during season

| Items | Seasonal |
|---------------|----------|
| Manger | |
| Accountant | |
| Receptionist | |
| Assistants | |
| Security | |
| Sweepers | |
| Kitchen Staff | |
| Sales Man | |
| Total | |

24) Are you getting sufficient support from the government for your business?

a) Yes

b) No

25) If yes, list out the supports you receive

| Sl. No | Support Items | Tick |
|--------|--|------|
| 1 | Financial Support like subsidy, grants | |
| 2 | Business support e.g. mentoring, consultancy | |
| 3 | Funding for start-ups of businesses | |
| 4 | Incentives for research and development | |
| 5 | Tax and duty concessions | |
| 6 | Assistance for industries in transition | |
| 7 | Others | |

26) Is there any assistance to your business from the tourism department?

a) Yes

b) No

27) If yes, tick the assistance you receive from tourism department:

| Sl. No | Assistance | Tick |
|--------|--|------|
| 1 | Local support (e.g. subsidised rent and rates) | |
| 2 | Advisory and mentoring services | |
| 3 | Workshops and seminars | |

| | | |
|---|---|--|
| 4 | General and industry-specific training | |
| 5 | Networking opportunities | |
| 6 | Subsidised products, such as business planning tools | |
| 7 | Energy and the environment Training | |
| 8 | Department websites for providing information on employing people, money and tax and business and self employment | |

28) As a private sector business man did you face any problems in getting licence in time?

- a) Yes b) No

29) Is there any possibility to promote home stay facility in this area?

- a) Yes b) No

30) Are you aware about the various policies introduced by the government related to tourism?

- a) Yes b) No

31) Rank the following policy measures introduced by the government which you believe that are useful to your local tourism:

| Sl. No | Policy Measures | Rank |
|--------|--|------|
| 1 | Zero tolerance on substance abuse and child abuse in tourism sector | |
| 2 | Creation of Kerala Responsible Tourism Task Force at the State level | |
| 3 | Formation of State Tourism Advisory Committee (STAC) | |
| 4 | Drawing international support to augment expertise in developing Kerala Tourism | |
| 5 | Strengthening institutional capacity to implement and enforce policies | |
| 6 | Promoting fair and open competition | |
| 7 | Supporting a transparent and inclusive policy process | |
| 8 | New campaign on Kerala Waste Free Destination (KWFD) | |
| 9 | Task force to manage it and a scheme for new investors in tour operations | |
| 10 | Home stays, serviced villas and Ayurveda centres to participate in international and national tourism promotional events | |

32) Rank the following measures which you think are to be considered while the preparation of the policies by the government:

| Sl. No | Measures | Rank |
|--------|--|------|
| 1 | Local people should be consulted when tourism policies are being made | |
| 2 | Local people should have a voice in the decision making process of local tourism development | |
| 3 | Local people should be financially supported to invest in tourism development | |
| 4 | Local people should take the leading role as entrepreneurs | |
| 5 | Local people should be consulted but the final decision on the tourism development should be made by formal bodies | |
| 6 | Local people should take the leading role as workers at all levels | |
| 7 | Local people should not participate by any means | |

33) Do you avail modern amenities like web sites, internet etc. for the expansion of your business?

- a) Yes b) No

34) What is the duration of tourism seasonality in your locality (specify months)

35) What are your activities during off-season?

- a) Concentrate on creation of handicraft
- b) Engage in the non seasonal job as part time
- c) Continue the same
- d) Nothing will do

36) In the absence of tourism do you feel that there are alternative facilities available in your locality to the development of individual and locality?

- a) Yes b) No

37) If yes, please mention

38) Will you encourage your friends and relatives to be a part of tourism job?

a) Yes

b) No

C) Economic Assessment Scale

C 1) Employment

39) What percentage of your total customers are tourism related customers?

| Below 20 | 20-40 | 40-60 | 60-80 | 80-100 |
|----------|-------|-------|-------|--------|
| | | | | |

40) Rate whether your business is labour oriented or capital oriented?

| Highly labour oriented | More labour oriented than capital oriented | Equally oriented | More capital oriented | Highly capital oriented |
|------------------------|--|------------------|-----------------------|-------------------------|
| | | | | |

41) In your opinion to what extent does tourism provide an opportunity to new /additional employment in your business?

| Not at all | Very little | Moderately | Considerably | Very much |
|------------|-------------|------------|--------------|-----------|
| | | | | |

42) In your opinion how far did tourism provide new employment opportunities in your locality?

| Not at all | Very little | Moderately | Considerably | Very much |
|------------|-------------|------------|--------------|-----------|
| | | | | |

43) To what extent have the local unskilled people converted themselves into skilled manpower due to the influence of tourism?

| Not at all | Very little | Moderately | Considerably | Very much |
|------------|-------------|------------|--------------|-----------|
| | | | | |

44) In the absence of tourism rate the availability of alternative sources of employment in your locality

| | | | | |
|------------|-------------|------------|--------------|-----------|
| Not at all | Very little | Moderately | Considerably | Very much |
| | | | | |

45) Specify the proportion of increase in demand of man power in tourism in your business during the previous years

| | | | | | |
|------------|----------|-----|----------|------|-----------|
| 46) W h | Very Low | Low | Moderate | High | Very high |
| | | | | | |

at is your overall opinion about the impact of tourism on employment generation in your locality?

| | | | | |
|------|--------------|----------|------|-----------|
| Poor | Satisfactory | Moderate | Good | excellent |
| | | | | |

C 2) Income

47) What is the percentage of your tourism income with reference to your total income?

| | | | | | |
|------------|----------|-------|-------|-------|----------|
| 48) W h | Above 80 | 60-80 | 40-60 | 20-40 | Below 20 |
| | | | | | |

at percentage of your income is reinvested in tourism related activities?

| | | | | |
|----------|-------|-------|-------|----------|
| Above 80 | 60-80 | 40-60 | 20-40 | Below 20 |
| | | | | |

49) To what extent does the infrastructural development of this locality affect your income?

| | | | | | |
|------------|------------|----------|------------|--------|-------------|
| 50) R a | Not at all | A little | Moderately | Highly | Very highly |
| | | | | | |

nk the infrastructural facilities in your locality which affect your income:

| Sl. No | Infrastructure facilities | Rank |
|--------|---------------------------|------|
| 1 | Road transportation | |
| 2 | Electricity | |

65) If yes, rank the following differentiating methods:

| Sl. No | Differentiating Methods | Rank |
|--------|---|------|
| 1 | High quality | |
| 2 | Attractive offers | |
| 3 | Artistic design | |
| 4 | Highlighting the tradition of the place | |
| 5 | Canvassing | |
| 6 | Others | |

66) To what extent do local industries differentiate their products to attract tourism?

| Not at all | A little | Moderately | Highly | Very highly |
|------------|----------|------------|--------|-------------|
| | | | | |

67) What is the extent of new entrants and competitors in local industry of the area in order to exploit tourism facilities?

| Very Low | Low | Moderate | High | Very high |
|----------|-----|----------|------|-----------|
| | | | | |

C 5) Standard of Living

68) Has tourism affected the standard of living of the local people?

a) Yes

b) No

69) Please rank the following indicators of standard of living of the local people which are affected by the tourism in order of preference:

| Sl. No | Indicators of Standard of Living | Rank |
|--------|----------------------------------|------|
| 1 | Dressing | |
| 2 | Food Habits | |
| 3 | Communication skill | |
| 4 | Consumption Pattern | |
| 5 | Mode of living | |
| 6 | Attitude of the people | |
| 7 | Others | |

| | | |
|---|----------------------------------|--|
| 5 | Branded products | |
| 6 | Frequent maintenance of the road | |
| 7 | Better waste disposal facilities | |
| 8 | Advanced technology | |

76) What is the extent of the uses of modern amenities in your tourist centre when compared to other nearby places?

| | | | | |
|----------|-----|----------|------|-----------|
| Very Low | Low | Moderate | High | Very high |
| | | | | |

C 6) Regional Development

77) Has there been any significant development of the following, which lead to the regional development, during the last five years?

| Sl. No | Development Indicators | Yes | No |
|--------|---|-----|----|
| 1 | Better standard of living of the people | | |
| 2 | Economic empowerment | | |
| 3 | Social empowerment | | |
| 4 | Protection of cultural heritage | | |
| 5 | Effective environmental stewardships | | |
| 6 | Better infrastructural facilities | | |
| 7 | Better waste disposal facilities | | |
| 8 | Advanced technology | | |
| 9 | Better healthcare, housing and educational facilities | | |
| 10 | Local government interference and favourable policies | | |

78) Has there been any significant development of this region during the last five years?

| | | | | |
|------|--------------|----------|------|-----------|
| Poor | Satisfactory | Moderate | Good | Excellent |
| | | | | |

79) Has tourism acted as a facilitator for the development of this area compared to other neighboring areas?

| | | | | |
|----------|-----|----------|------|-----------|
| Very Low | Low | Moderate | High | Very high |
| | | | | |

80) To what extent does tourism invite fresh capital from outside areas which indirectly influence the local development?

| | | | | |
|------------|----------|------------|--------|-------------|
| Not at all | A Little | Moderately | Highly | Very highly |
| | | | | |

d) Economic Development Awareness

81) Rank the following facilities which improved most during the previous years in your locality because of tourism:

| Sl. No. | Facilities | Rank |
|---------|---------------------------------|------|
| 1 | Roads | |
| 2 | Telecom | |
| 3 | Hotels | |
| 4 | Ayurvedic centres | |
| 5 | Handicrafts | |
| 6 | Sanitary facilities | |
| 7 | Amusement sites | |
| 8 | Spices and other local products | |
| 9 | Others | |

82) Rank the following which you think the main hindrances to the development of tourism in this area?

| Sl. No. | Hindrances | Rank |
|---------|--------------------------------------|------|
| 1 | High taxes | |
| 2 | Checking of governmental authorities | |

| | | |
|----|--|--|
| 3 | Absence of infrastructural facilities | |
| 4 | Nuisance by local people | |
| 5 | Nuisance by police | |
| 6 | Harassment by Panchayaths/ municipal authorities | |
| 7 | Shortage of skilled labour | |
| 8 | Shortage of supply of goods | |
| 9 | Absence of sufficient amusement sites | |
| 10 | Absence of rooms and guest houses | |

83) Rank in order of priority, how to extend the seasonality of the tourism in your locality

| Sl. No. | Ways | |
|---------|---|--|
| 1 | By starting amusement parks | |
| 2 | By starting Ayurvedic centres | |
| 3 | By improving shopping facilities | |
| 4 | By marketing tourism in foreign countries | |
| 5 | By encouraging domestic tourism | |

84) Give in the order of priority the strengths of tourism in your locality

| Sl. No | Strengths | Rank |
|--------|--|------|
| 1 | Vast greenery | |
| 2 | Knowledge of English by majority of local people | |
| 3 | Efficient transport facilities | |
| 4 | Public organisation by the government | |
| 5 | Reputation of the state in the world | |
| 6 | Rich history and heritage | |
| 7 | Rare conglomeration of all the type of tourism | |
| 8 | Sound banking system | |

| | | |
|----|-------------------------------|--|
| 9 | Unique geographical diversity | |
| 10 | Friendly climate | |

85) Give in the order of priority the weaknesses of tourism in your locality

| Sl. No | Weaknesses | Rank |
|--------|---|------|
| 1 | Lack of adequate infrastructure | |
| 2 | Lack of safety and security of tourists | |
| 3 | Widespread begging and cheating | |
| 4 | Lack of trained / authorised guides | |
| 5 | Poor maintenance and cleanliness | |
| 6 | Lack of tourist information | |
| 7 | Hostile treatment | |
| 8 | High rates of accommodation | |
| 9 | Anti social activities | |
| 10 | Lack of adequate parking facilities | |

86) Give in the order of priority the opportunities of tourism in your locality

| Sl. No | Opportunities | Rank |
|--------|---|------|
| 1 | Increased privatisation | |
| 2 | Medical tourism | |
| 3 | Go-green initiatives | |
| 4 | World class hotels and airports | |
| 5 | Dynamic growth in emerging market | |
| 6 | Government support | |
| 7 | Innovation in technology | |
| 8 | Use of social media space for better visibility | |
| 9 | shift of global tourists from developed to emerging economies | |
| 10 | Monsoon tourism | |

87) Give in the order of priority the threats of tourism in your locality

| Sl. No | Threats | Rank |
|--------|--|------|
| 1 | Better promotion by other states like Goa | |
| 2 | Better promotion by other states like Sri Lanka and Malaysia | |
| 3 | Pollution and lack of environmental protection | |
| 4 | Lack of facilities especially comfortable accommodation | |
| 5 | Corruption | |
| 6 | Unhygienic condition | |
| 7 | Lack of monuments and museum | |
| 8 | High tax on hotel bill | |
| 9 | Lack of conducted tour | |
| 10 | Lack of tourist information centers | |

88) Give suggestions for the development of tourism in this area:

Appendix 4.2. Interview Schedule for Tourists

Name of the Researcher

Shiji O

Name of the Supervisor

Dr. D.Retnaraj

Sir/Madam,

I am coming from the University of Calicut, Department of Economics. I am conducting this survey for my PhD research purpose. Please spend few minutes to provide the following details.

1. General information:

- 1) Tourist Place _____
- 2) District _____
- 3) State _____

2. Profile of the tourist:

- 4) Name

- 5) Age (in completed years)

- a) Below 21 b) 21-40 c) 41-60 d) above 60

6) Religion:

- a) Hindu b) Christian c) Muslim d) Others

7) Sex:

- a) Male b)Female

8) Marital status

- a) Married b) Unmarried c) Separated d) Widow/widower e) Others

9) Education

- a) Primary education b) SSLC c) Pre-Degree/plus two
 d) Graduate e) Postgraduate f) Professional/technical degree holders

10) Tourist type

- a) Domestic b) Foreign

11) Nation

12) State

13) Occupation

- a) Agriculture b) Manufacturing c) Business d) Govt. Service
 e) Private f) Student/researcher g) Housewife h) Retired
 Others _____

14) Annual Income (in rupees)

| | | | | | | |
|-------------------|-----------------------|------------------------|-------------------------|-------------------------|-------------------------|--------------------|
| Below 2,00,000 | 2,00,000- 5,00,000 | 5,00,000- 10,00,000 | 10,00,000- 15,00,000 | 15,00,000 -20,00,000 | 20,00,000- 25,00,000 | Above 25,00,000 |
| | | | | | | |

15) How do you know that Kerala is a tourist destination?

- a) Periodicals b) Tour operators c) Word of mouth
 d) Internet/Web site e)Other Electronic media f) Personal interest
 g) Others (Specify) _____

3. General Tour Profile:

16) How many times do you go for holiday in a year?

- a) Once b) Twice c) Thrice d) More than thrice

17) What do you consider as the most important factors when deciding on your holiday?

- a) Destination b) Conservation Interest c) Referrals
 d) Popularity e) Cost f) Others specify _____

4. Current tour details:

18) Duration of stay:

- a) Less than a Week b) One - Two weeks c) Three - Four weeks
 d) One month- Six months e) Six months - One Year

19) Budget for the trip (in rupees):

| | | | | | |
|----------------------|-----------------------|---------------------|----------------------|------------------------|-------------------|
| Less than 10, 000 | 10,000 - 25,000 | 25, 000 – 50,000 | 50,000- 1, 00,000 | 1, 00,000 -5,00,000 | Above 5,00,000 |
| | | | | | |

20) What is the major purpose for visit this time?

- a) Business b) Leisure/Holiday c) Religious/Pilgrimage
 d) Education/research e) Health & Treatment f) Social
 Others specify _____

21) Are you an independent traveller or not?

- a) Alone b) With Family c) With relatives/friends
 d) With group e) Others, specify _____

22) If with group specify the number:

| | Male | Female | Total |
|----------|------|--------|-------|
| Adult | | | |
| Children | | | |
| Total | | | |

23) Is it your first visit?

- a) Yes b) No

24) If no, when was your last trip to this place?

- a) One year back b) 2Years back c) 3 Years back
 d) 4 Years back d) 5 years back e) More than 5 years

25) What changes do you notice?

- a) New hotels & resorts b) New ayurvedic centres

- c) More transportation facilities d) More Shopping facilities
- e) Better Sanitation f) Increased Pollution
- g) Others (Specify) _____

26) Reason for choosing this spot as your holiday destination:

- a) Serene Beauty b) Cost effectiveness c) Easy conveyance
- d) Attractive weather condition e) Hospitality of the native people
- f) Others (Specify) _____

27) Mode of transportation

- a) Air b) Ship c) Road d) Railway

5. Experience on different services:

28) Where do you get the information about this place?

- a) Website b) News paper c) Friends/relatives
- d) Tourism advertisement Information centre e) Others specify -----

29) Means of booking your trip:

- a) Tour operator b) Airline directly c) Independent
- d) Travel agent e) Internet f) Others (Specify) _____

30) Mode of accommodation

- a) Starred Hotel b) Un starred Hotel c) Guest House d) Home stays
- e) Rest House f) Bungalow g) Youth Hostels/YMCA h) Dormitory
- i) Others (Specify) _____

31) Ownership of accommodation unit

- a) Government b) Private

32) Cost of accommodation

- a) Good b) To be improved c) Poor

33) Behaviour of the hotel staff

- a) Good b) To be improved c) Poor

34) Quality of Food provided

- a) Good b) Satisfactory c) Poor

35) Transportation facilities:

- a) Good b) To be improved c) Poor

36) Traffic and maintenance of roads

- a) Good b) To be improved c) Poor

37) Tourist information facilities:

- a) Good b) To be improved c) Poor

- 38) Availability of communication facilities
 a) Good b) To be improved c) Poor
- 39) Visitors attraction at the centre
 a) Good b) To be improved c) Poor
- 40) Entertainment Facility
 a) Excellent b) Satisfactory c) Poor
- 41) Shopping Facility
 a) Adequate b) Inadequate
- 42) Behaviour of taxi / auto drivers
 a) Good b) Satisfactory c) Poor
- 43) Opinion about tourist guide services
 a) Good b) Satisfactory c) Poor
- 44) Behaviour/ Hospitality of host people:
 a) Good b) Satisfactory c) Poor
- 45) Opinion about Travel service providers
 a) Good b) Satisfactory c) Poor
- 46) Opinion about other support service providers
 a) Good b) Satisfactory c) Poor
- 47) Are you aware that Kerala tourism is one of the super brands in India?
 a) Yes b) No
- 48) Have you heard about Kerala tourism slogan – “God’s Own Country”
 a) Yes b) No
- 49) How do you rate this place as a value for money proposition?
 a) Very good b) Good c) Average d) Poor e) Very Poor
- 50) General assessment of present trip:
 a) Highly Satisfactory b) Satisfactory c) Not Satisfactory
- 51) Will you come to this place again?
 a) Yes b) No
- 52) Will you recommend this place to your friends and others?
 a) Yes b) No
- 53) Do you think Kerala is a safe destination?
 a) Yes b) No
- 54) The problems which you faced in this destination:

| No. | Problems | Tick Mark |
|-----|--|-----------|
| 1 | Accessibility | |
| 2 | Lack of comfortable accommodation | |
| 3 | Hostile treatment | |
| 4 | Food Problems | |
| 5 | Corruption | |
| 6 | Unhygienic condition | |
| 7 | High rates of accommodation | |
| 8 | Lack of tourist information centres | |
| 9 | Knowledgeable guides at reasonable price | |
| 10 | Internal Transport at non reasonable rates | |
| 11 | Congestion /crowded | |
| 12 | Lack of Toilet Facilities | |
| 13 | Lack of communication facilities | |
| 14 | ATM & Credit card facilities | |

Others (specify)

55) Major drawbacks of Kerala tourism which you feel:

| No. | Drawbacks | Tick Mark |
|-----|----------------------------|-----------|
| 1 | Anti social activities | |
| 2 | Hostile treatment | |
| 3 | Corruption | |
| 4 | Unhygienic condition | |
| 5 | Untrained Manpower | |
| 6 | Lack of accommodation | |
| 7 | Expensive of accommodation | |

Others (Specify) _____

56) Please give your valuable suggestion to improve Kerala tourism

Appendix 5.1

Environmental Impact Assessment Matrix

| Type of Impact | | Extent of Impact | | | | |
|----------------|--|------------------|-------|----------|---------|--------------|
| | | None | Minor | Moderate | Serious | Very Serious |
| 1 | Air pollution | | | | | |
| 2 | Surface water pollution, including rivers, streams, lakes, ponds and coastal waters | | | | | |
| 3 | Ground water pollution | | | | | |
| 4 | Pollution of domestic water supply | | | | | |
| 5 | Noise pollution, in general and during peak periods | | | | | |
| 6 | Solid waste disposal problems | | | | | |
| 7 | Water drainage and flooding problems | | | | | |
| 8 | Damage/ destruction of flora and fauna | | | | | |
| 9 | Ecological damage, including land and water areas, wetlands and plant and animal habitats in general | | | | | |
| 10 | Land use and circulation problems within the project areas | | | | | |
| 11 | Land use and circulation problems in nearby areas | | | | | |
| 12 | Pedestrian and vehicular congestion in general and | | | | | |

| | | | | | | |
|----|--|--|--|--|--|--|
| | during peak periods | | | | | |
| 13 | Landscape aesthetic problems (building design, landscaping, signage etc.) | | | | | |
| 14 | Environmental health problems, such as malaria and cholera | | | | | |
| 15 | Damage to historic, archaeological and cultural sites | | | | | |
| 16 | Damage to important environmental features like large trees, hill tops etc | | | | | |
| 17 | Erosion, landslides etc. | | | | | |
| 18 | Damage to project from natural hazards- earthquakes, floods, hurricanes | | | | | |
