CHAPTER I

Introduction

1.1 Concept of Tourism Development

Tourism over the years has cropped up to be the world’s largest and fastest growing industry. It is a major phenomenon of the modern society. Tourism development is perceived by almost all countries of the world as a potent ingredient in the economic developmental strategies. It is considered as a quick and easy means to economic development.

Tourism is an interaction of an encounter between two persons or two groups, one being the host and the other the visitors or tourists. In between these interactions, there exist the commercial aspects of tourism. Many people are involved in tourism directly or indirectly. The commercial operations in travel and tourism influence a wide spectrum of areas of development.

As the Department of Tourism in Kerala says, “economic diversification and technological improvement has created a conducive environment for tourism development in the present age of globalization.”\(^1\) In 1999 there were 657 million international tourist arrivals throughout the world with an increase of 3.2% over

\(^1\) Tourism Vision 2025, (Draft) 2001, Department of Tourism, Government of Kerala, Thiruvananthapuram, p. 1.
that of the preceding year. The international tourist receipts is US $ 455 billion, also registering a 3.2% increase from that of the previous year. Thus tourism is an ‘invisible export’ which helps to bring in foreign exchange. We can also see a development-oriented approach in marketing tourism products, in developing infrastructure and transportation facilities, in the promotion of new destinations and in the encouragement given to private sector.

Nowadays a lot of factors draw people towards tourism. The important motivations for travel and tourism may be cultural, social, interpersonal, physical, religious or what ensues from considerations of status or prestige. But countries and societies foster tourism mainly because of its developmental potential. Tourism has much scope for development and the development of tourism can develop certain localities, states and even countries. A planned and integrated development of tourism can act as a catalyst of the economic development of any country, especially a developing country.

An effective and successful development of tourism includes the development of four major sectors. They are: infrastructure development, tourism product development, human resources development and market development. An appropriate development of tourism necessitates a large-scale development in infrastructure, which requires large-scale investment. A concerted and deliberate effort is needed for tourism product development at national and international levels. Since tourism is highly labour-intensive, sufficient emphasis has to be laid
on human resources development. Finally, tourism marketing is a specialised activity that requires professionalism. Long term planning, market research analysis and a clear sense of direction in tourism marketing can step up tourist arrivals and increase the time and money spent by the tourists. Thus, the need of the hour is a sustainable tourism development.  

Tourism is to be viewed as a long-term renewable resource. We can consider sustainable tourism development as a positive approach, which can reduce the tensions and frictions created by the interaction between the tourism industry, the visitors, the environment and the host communities. Hawkes and Williams remark that, “the concept of sustainable tourism embodies a challenge to develop the world’s tourism capacity and quality of its product without adversely affecting the environment that maintains and nurtures them.”  

1.2 Significance of Tourism Development  

Today almost all countries of the world try to develop tourism because tourism can, in turn, develop any country. It is a challenge to the modern world economy. Changing life styles, sudden increase in the income levels, breaking up of the travel barriers, opening up of the economy, globalization and liberalization, all led to a steep growth of tourism industry. New travel patterns, changes in  

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4 Ibid. p.59.
consumer behavior, economic strength of markets, new destinations, political realignments, new waves of mass tourism and package tourism augmented this growth.

Tourism, which is a service industry, is highly labour intensive and in a developing country like India, it contributes to the economic development of the area, creates huge employment opportunities, provides equitable distribution of wealth, helps to acquire the much-needed foreign exchange, brings out a speedy development and improvement of infrastructure facilities, helps in eradicating the regional imbalances, improves the standard of living of the local people, boosts up the local and cottage industries, promotes international understanding by bringing diverse people face to face, and above all, helps in achieving a social, cultural, political and educational understanding among the people.

Almost all countries of the world have accepted the huge potentialities of tourism in income generation, employment creation and infrastructure development. Kamra says: “There is hardly any other economic activity which is capable of generating as much added value, employment and hard currency and that also at such a low cost as tourism.”6 It is particularly important in non-industrial areas with limited alternative sources of employment. Millions of people throughout the world depend directly or indirectly on tourism.

Tourism, as an invisible export-oriented service industry, can also help to boost up the innumerable local and cottage industries and act as a profound

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advertiser to local and cottage industries in other countries. This can reduce the regional imbalances and improve the standard of living of the local people. It can act as a panacea for a developing country’s social and economical problems.

If properly planned and motivated, tourism industry will definitely come out with flying colours. It can act as a source for secondary income for rural people. The challenges and opportunities of tourism development are great. Hence, keeping in view the challenges and opportunities, especially in the context of globalisation, there is a need to adopt a strategic approach to tourism development.

1.3 Need and Importance of the Study

Kerala, ‘God’s own Country’, was formed in 1956. Since then its progress in various fields has been remarkable. With 38863 Sq.kms of land area, it now accommodates nearly 32 million people. It has a peculiar pattern of development known as ‘Kerala model of development’. But, as a recent study says, “the basic characteristic of Kerala model of development is the paradox of social development and economic stagnation”.7 There are spectacular improvements in the quality of life, there is 100% literacy, low infant mortality, high life expectancy, favourable sex ratio in favour of women, and minimum rural-urban

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7 K.K. George, 1993, Limits to Kerala Model of Development, Centre for Development Studies, Thiruvananthapuram, p.3.
differences. Still the economic status of Kerala remains low, as there is either negative development or stagnation in the primary and secondary sectors.

The growth rate in SDP at current prices in 1999-2000 is 10.5% while it was 16.3% in 1998-1999. So also the growth rate in per capita income at current prices is 9.1% in 1999-2000 while it was 15.2% in 1998-1999. In the sectoral distribution of the state income, the tertiary sector continues to dominate the income generation. The contribution of tertiary sector increased from 49.42% in 1998-1999 to 50.64% in 1999-2000. The share of primary sector declined from 29.18% in 1998-1999 to 28.72% in 1999-2000, while the share of secondary sector declined from 21.40% to 20.64%.

In the agricultural sector, though there is a favourable weather condition, there is an unpredictable decline in income from almost all food and cash crops of Kerala. The shortfall in the prices of rubber, coconut, paddy, arecanut, pepper, tea, coffee etc shattered the hopes of the majority of Keralites. Recent developments in global trade have adversely affected a wide spectrum of economic activities. Kerala is perhaps the worst hit state on account of the new agenda for trade liberalisation adopted by the Government of India. The share of agricultural income in the state income declined from 22.7% in 1998-1999 to 22.03% in 1999-2000 and to 21.3% in 2000-2001 (Economic Review 2001).

In the industrial front, Kerala is facing serious problems. The traditional industries such as coir, cashew, beedi and handloom are on the decline. Due to the

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shortage of land (38863 Sq.kms for 318.38 lakh people) and high density of population (749 person per Sq.km), Kerala is not suitable for heavy industries. There is also a shifting tendency for the industries here because of labour unrest and the shortage of infrastructure facilities. As a result private investors are reluctant to start medium and large-scale industries in Kerala.

Unemployment problem is the most threatening one in Kerala. The total number of job seekers registered in employment exchanges in the state was 41.86 lakhs in 2000 (Economic review, 2000). Another crucial problem affecting the Kerala economy is the return of NRI’s. The economy of Kerala is maintained at the present level from the remittances of NRI’s working in various foreign countries. But from 1990 onwards the return of immigrants has augmented the financial crisis. The power sector of the state is also alarming. There is a wide gap between 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 1%.

In spite of all the shortfalls outlined above, tourism in Kerala has recorded remarkable growth in recent years. The Economic Review 1999 remarks: “the percentage share of Kerala in the country’s tourism earnings is a good eight percent with revenues approximately at Rs.500crores in 1999. The state has become a multidimensional tourism destination, with tourists able to choose from a variety of options—backwaters, beaches, ayurvedic resorts and high ranges— all
within a radius of 200 kms”. The revenue generated in the economy of Kerala due to tourism is estimated to be nearly Rs 4000 Crores which is 6.29% of the state’s GDP. Tourism has generated employment in Kerala to the tune of nearly 7 lakhs.

Though there have been several studies at the international and national levels covering tourism development and its impacts on the economy, not much attention has been paid to tourism development and its impacts on the economy of Kerala. Further, most of the published materials available are either descriptive or repetitive. A large portion of the limited number of research studies carried out in the field of tourism development and its impact on the economy of Kerala is of general nature. Several important aspects of tourism development like foreign exchange earnings, employment generation, infrastructure development, local industries, standard of living, regional development, etc, from the viewpoint of the local inhabitants or those engaged in tourism sector from the tourism developed areas, have not been examined or evaluated so far. Under these circumstances, a study on the various aspects of tourism development and its impacts on the economy of Kerala is relevant and significant. The present study, therefore, strives to bridge the gap by giving attention to the important aspects of tourism development and its impacts on the economy of Kerala. Thus, the present study is comprehensive and exploratory in nature. It is expected that the study will provide insights into tourism development in Kerala. It is hoped that the findings of the present study and the suggestion made thereon will have practical utility for the

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effective development of tourism in Kerala and will, thereby, boost up the economic growth of the state.

1.4 Survey of Literature

A substantial volume of literature both at the macro and micro levels can be seen on the subject of tourism and its impacts. A thorough literature survey was conducted, especially in the context of Kerala for constructing a theoretical framework for this study. The literature survey helped to understand and appreciate the earlier studies conducted in the field of tourism and it provided a broad framework for this study.

Joseph Antony\(^{11}\) in his doctoral thesis entitled ‘the Role of Kerala Tourism Development Corporation Ltd. in the Promotion of Tourism’ made an elaborate examination of tourism as an industry and the role of KTDC and its workings. He found that there is a high potential for tourism as an industry in Kerala. He outlined the special relevance of ancient and time-tested scientific systems of medicines like Ayurveda, Yoga, Naturopathy etc. In his study he found out that in KTDC there is a lack of professionalism at different levels of staffing and suggested effective human resource development strategy in KTDC.


industry in Kerala. He analysed the natural resources of Kerala which can promote tourism as an industry. According to him, though Kerala has abundant potentialities of tourism, lack of professionalism and mismanagement are the main problems faced by Kerala tourism. He also evaluated the working of the governmental machinery for ascertaining professionalism in tourism and assessed the various economic benefits obtained by the traders and the business community of the tourist centres.

Another study\textsuperscript{13} evaluates the role and viability of the infrastructure development under the Tamil Nadu Tourism Development Corporation. It conclude that there is a vast scope for tourism in Tamil Nadu and that tourism has a positive impact on the economic development of Tamil Nadu. One important finding is that the Tamil Nadu Tourism Development Corporation's workings are not up to the expectations in developing the commercial viability of tourist infrastructure.

Ajith Kumar\textsuperscript{14} analysed the relationship between tourist arrivals and the foreign exchange earnings and also the effect of demographic, psychographic, and life style characteristics of tourists on the spending patterns of foreign tourists. According to him, the relationship between the tourist arrivals and foreign exchange earnings from tourism is not a function of the number of tourists visiting


\textsuperscript{14} M.K. Ajith Kumar, 1998, \textit{Psychographic and Demographic Profiles of Foreign Tourists Visiting Kerala with Special Reference to Spending Patterns}, Cochin University of Science and Technology, Kochi.
a tourist destination but it depends on the spending patterns of foreign tourists. So he advocated an increase in the number of those tourists who can pay more rather than an increase in the number of foreign tourists.

The TCS Survey titled ‘Economic Benefits of Tourism Sector in Kerala’ highlighted the economic benefits received by Kerala because of tourism. The survey has gone through the duration of stay of tourists, expenditure of tourists and the employment and income generated by tourism. It also calculated the economic impact of the arrival of foreign tourists and domestic tourists.

The draft of the Tourism Vision 2025 prepared by the Department of Tourism, Govt. of Kerala, has gone through the salient features in detail and the present scenario of Kerala tourism. On the basis of the present scenario, it has tried to provide a clear vision and direction for optimizing the tourism potential of the state. Whether the vision proposed by the Tourism Department is viable or not is to be tested by time.

Babu Paul, the former Commissioner and Secretary, Tourism, in his paper entitled “A Perspective Paper on Tourism Development in Kerala” sketches out a profile of tourism in Kerala and brings out the constraints and prospects of tourism industry. He also brings out a clear perspective on tourism promotion and on the

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16 Tourism Vision 2025 (Draft), 2001, Department of Tourism, Government of Kerala.

role of private sector in Kerala tourism. Paul Routledge,18 in his study ‘Consuming Goa: Tourist site as Dispensable Space’, made a detailed study on Goan tourism, its imperatives and economic benefits. He studied the marginalisation of the needs of the local population because of intensive tourism development. According to him the host communities lose control over their land and sea and are exploited for tourist consumption. Moreover, tourism brings increased levels of crime, prostitution and drug use, and deteriorates the local cultural traditions. Therefore he advocated a rethinking and examination of the development pattern of Goa as a tourist site.

The National Tourism Action Plan of 199219 places increasing emphasis on the demand-centered model of international tourism. It outlines nine travel circuits and six specific travel destinations as sites of intensive tourism development. These sites include Bekal Beach of Kerala also. Menezes and Lobo20 mention that the employment benefits, through the multiplier effect, can generate myriad other industries, and enable the percolation of economic benefits to less developed areas. Ratandeep Singh considers tourism as basically a benevolent, smokeless industry.21 He evaluates the state participation in infrastructure development so that the public will be provided with public utilities at an affordable price.

19 The National Tourism Action Plan – 1992, Department of Tourism, Government of India.
According to him, development of the key infrastructure, an essential stimulant to the planned economic growth, cannot be left to the vagaries of market forces. He further says: “the public sector has made significant contribution to the growth of tourism during the last three decades. As a result, tourism industry today is equipped with sound infrastructure base and is poised for a self sustained growth”.22

In a study conducted by ICCT for the Government of India, it is found that income creation and foreign exchange are the two major economic benefits.23 In his doctoral thesis, Gupta24 tried to analyse the income and employment effects on the economy of Jammu and Kashmir. He is of the opinion that in developed countries the economic benefits from tourism ranged from 20 to 40 percent. Hilary Metcalf25 has gone through the employment generation aspects. He tried to identify the various categories of temporary employees in tourism industry and their work responsibilities. According to him, part-time workers hold about 30% of all permanent jobs in the field of tourism.

Kaul in his three volumes of “Dynamics of Tourism”26 tried to study tourism-related industries and its multiplier effects. To Kaul, accommodation, transportation and marketing are the three aspects to be given special importance.

22 Ibid. p. 29.
He also studied the inadequacy of general infra structure as the basic hindrance to tourism. A. P. Singh\textsuperscript{27} made an in-depth study into different travel attractions and the different motivators of travel. He argues that historical and cultural attractions play a crucial role in the promotion of foreign tourism.

The cost benefit analysis and the multiplier effect of tourism industry were subjected to study by Robert Christy Mill and Alastire M. Morrison.\textsuperscript{28} They made an elaborate study of the opportunity cost, socio economic costs and benefits of tourism development. They found that tourism is more labour intensive than any other industry. They concluded that the marketing aspect of tourism is essential for the promotion of tourist products. The State Tourism Ministers’ Conference, 1991,\textsuperscript{29} emphasized the importance of the central Government’s greater involvement in the tourism industry. They demanded that:

i) The central government should provide infrastructure support such as airports and airline services, railway stations and train services, communication networks, post and telegraph services, etc.

ii) Government should consider granting exemption for specific central taxes and provide fiscal incentives in the shape of capital subsidy, interest subsidy, etc.


\textsuperscript{28}Robert Christy Mill and Alastire M. Morrison, 1984, \textit{The Tourism System}, Prentice Hall International, USA.

\textsuperscript{29}\textit{National Action Plan for Tourism}, 1992, Govt. of India, New Delhi, p. 19.
iii) Government should set up Tourism Development Fund for providing equity support for investors.

iv) A national level coordination committee should be set up with the representatives of state government, the Central Government and private traders to co-ordinate all matters related to the special tourism areas.

Peter Murphy,\textsuperscript{30} in his book, \textit{Tourism: Community Approach}, studies the different impacts of tourism in connection with the individual entrepreneurs and community.

Selvam’s\textsuperscript{31} \textit{Tourism Industry in India: A study of its Growth and Development Needs}, evaluates the present status and the needs of tourism industry in India. According to him, the foreign exchange earnings from tourism sectors have contributed much for the economic growth of the country. To earn more and more foreign exchange, tourism is to be developed and more foreigners are to be attracted to the country.

Lajipathi Raji,\textsuperscript{32} analyses tourism Industry in India in detail. He elaborately evaluates the governmental and institutional role in tourism promotion and the problems of the development of tourism in India. He explains how to generate awareness among the people and highlights the importance of domestic tourism.

\textsuperscript{32} Lajipathi H. Raji, 1993, \textit{Development of Tourism in India}, Printwell, Jaipur.
Kausalya Santhanam,\textsuperscript{33} in a recent article, evaluates the growth of tourism in Kerala and its significance to Ayurveda. She finds that it has been a boom time for tourism in Kerala. The state is drawing thousands to seek the sun, surf, and sand, with Ayurveda as a bonus. She says, “Tourism in Kerala has grown by leaps and bounds in the last decade helped by changing attitudes of tourists and the lure of Ayurveda”. She further remarks that there has been a 100 percent cumulative growth in tourism in the last five years in Kerala.

Sharma\textsuperscript{34} attempts to provide a fresh perspective to tourism planning and development taking into account the contemporary problems of tourism planning. He summarizes the basic foundations of tourism planning and development. He also caters to tourism designers, planners and developers. Tourism development should be managed in a controlled, integrated and sustainable manner. Then it can generate substantial economic benefits to an area and population without resulting in severe environmental impacts.

Kamra\textsuperscript{35} finds that in the last decade tourism has emerged as a revolutionizing phenomenon displacing the manufacture and extractive industries from the leading position. It has emerged as a catalyst of the development process at the national as well as global levels. He reveals that tourism is the substratum of

\textsuperscript{33} Kausalya Santhanam, 2002, “Packaging Health and a Holiday”, \textit{The Hindu}, January 20\textsuperscript{th} and 27\textsuperscript{th}.
the economic environ pyramid in certain economies, while it is contributing materially in other economies. He also finds that there is no other economic activity at present that can generate so much income, employment and foreign exchange. But tourism, like any evolutionary entity, is not eternally sustainable on its own. Tourism is a product of conditioning. Hence Kamra finds it necessary to have an in-depth study into the pricing in tourism, tourism demand forecasting, multiplier analysis and the impacts of public-private sectors in tourism.

A meticulous survey of available literature on tourism development reveals that no scientific, empirical and exploratory studies have been so far made to evaluate the tourism development and its impacts on the economy of Kerala. It is in this context that a research study of the present nature is highly warranted. The researcher has, hence, carried out an in-depth research study for intellectual analysis, logical interpretation and critical evaluation of tourism development and its impact on the economy of Kerala in order to submit the creative suggestions emerging there from.

1.5 Statement of the Problem

The National Geographic Traveller has found Kerala as ‘one of the ten paradises’ and one of the ‘50 places in the world recommended to be visited in a life time’. The Government of Kerala is trying to develop tourism in Kerala because it is conceived as an ideal instrument for social and economic growth. There is a tremendous growth in the number of foreign tourist arrivals, domestic
tourist arrivals, tourism earnings, employment generated by tourism and also in the plan outlay of the government regarding tourism. In this connection it is considered that a study about the development of tourism and its impacts on the economy of Kerala is a necessity. Does development of tourism have a significant impact on the economy of Kerala? How do the local people and those connected with tourism feel about the development of tourism? What are their opinions and suggestions? Is there any difference in the impacts in different places of tourism-developed areas? What should be done for a sustainable tourism development? These are some of the questions that are to be answered.

1.6 Scope and Coverage

Though the whole of Kerala is blessed with unmatched natural diversity that provides immense scope for tourism, there are certain areas or destinations, which are already developed as far as tourism is concerned. Development of tourism in these areas has a wide variety of impacts on the economy of that locality and on the overall economy of the state. Naturally, development of certain areas would help similar areas or destinations to develop their own tourism potential. The impact of the development of tourism is directly felt by those people who are directly or indirectly involved in tourism business. Therefore, the universe of the present study is limited to those areas where tourism is developed and to those persons who are directly or indirectly connected with tourism business. This study is exploratory in nature and the first of its kind in Kerala.
Therefore the study has been conducted mainly to explore the positive economic impacts of tourism in the tourism-developed areas.

1.7 Objectives of the study

The main objectives of the study are:

✦ To review the development of tourism and its impact on the economic development of Kerala.

✦ To identify the major economic development variables related to tourism and to measure the level of variations among the owners and employees of tourism business.

✦ To study the level of variations of the major economic development variables in different tourism developed areas.

✦ To develop predictor equations of economic development with different sets of independent variables selected for the study, i.e., income, employment, infrastructure, local industries, standard of living and regional development.

✦ To rank the opinions of the respondents regarding: i) the facilities that improved most in the tourism developed areas, ii) main hindrances to the development of tourism in the locality, and iii) the means of extending the seasonality of tourism.
To make suggestions and recommendations based on the findings of the study.

1.8 Hypotheses of the Study

The hypotheses evolved for the present study are the following:

- There is no significant impact on the economy of Kerala because of the development of tourism.

- There are no significant variations regarding the independent variables i.e., income, employment, infrastructure, local industries, standard of living and regional development selected for the study among different classes.

- There are no significant variations regarding the income variable selected for the study among people of different occupations.

- There is no significant correlation between the independent variables selected for the study and the economic development of Kerala.

- The independent variables can be reduced in number and combined to yield the best predictor equation for the economic development by using appropriate statistical techniques.

In addition to these necessary hypotheses, sub hypotheses are framed wherever necessary.
1.9 Methodology

The study is exploratory in nature and hence designed as an empirical one based on the survey method. Several issues relating to the main aspects of the study had been discussed in detail with experts, researchers and other eminent personalities in the field of tourism to get an insight into the subject prior to the collection of data. In order to formulate a framework for this study, the information and ideas obtained from the discussions were well utilized.

1.10 Sources of Data

Both primary and secondary sources of data are collected for this study.

1.10.1 Primary Data

The primary data have been collected through interview methods from 725 respondents with the help of a ‘structured interview schedule’. Interviews started on 1 July 2001 and continued till 30 October 2001.

1.10.2 Secondary Data

At the exploratory stage of this study, a detailed survey of literature has been undertaken in order to be familiarised with the various aspects of tourism development. Tourism is an area in which most of the financial and business experts and government agencies are actively interested. They normally conduct
studies and publish articles about the tourism trends and the impacts of tourism in our economy. To evolve an appropriate methodology for the study and to formulate a conceptual framework for the study, the secondary data were immensely helpful. For these purposes, various secondary sources like books and periodicals, research articles, seminar reports, newspapers, study reports of expert committees, departmental publications, plan documents, unpublished dissertations, etc were surveyed. A careful survey of literature helped the researcher to collect and synthesize prior studies and to discover the important variables relevant to the problem.

A pilot study was conducted with the help of a draft interview schedule for evaluating the impacts of tourism developments on the economy of Kerala. The respondents were randomly selected for the pilot study. Based on this pilot study, the questions found irrelevant in the draft interview schedule were deleted and questions found vital were added. After conducting thorough analysis on the data collected from the pilot study, the form of some questions were modified to avoid probable ambiguities about certain questions and to obtain more reliable, unbiased and accurate answers. Slight rearrangements in the logical order of the questions were also done. The language used was simple so that the respondents were able to understand the meaning easily. The entire text of the reformed and reframed interview schedule is given in appendix 1.
1.11 Sampling Design

A 'two stage stratified random sampling method' has been used for selecting the respondents from the universe. The universe of the study covers all the owners or the employees of businesses connected with tourism in Kerala. At the first stage of sampling, tourism developed areas or destinations were selected as a 'purposive sample' for this study. For this purpose nine locations (eight tourist destinations and one general class) were identified for the tourist survey in order to attain the optimum geographical coverage. The survey locations chosen were Munnar, Thekkedy, Kumarakom, Bekal, Malampuzha, Alappuzha, Kovalam, Sabarimala and a general class that consists of different places. The survey locations were selected in such a way as to give adequate representation to different types of destinations like hill stations, beaches, backwaters, religious places and commercial places.

At the second stage of sampling, 'proportionate stratified sampling method' has been employed for the selection of the respondents. Each of the survey location mentioned above constituted a stratum. Care was taken to ensure fair representation to all the sub segments. The allocation of the sample size to various strata was done according to the pilot study. For example, for the destination Thekkedy, Kumaly panchayath is taken. As per 9th plan document of Kumaly panchayath, there are 20200 employed persons and it is estimated that 10 % of these employed persons (2020) are in the tourism sector. 5% of the employed persons in tourism sector (101) are taken as samples from Thekkedy region.
also as per the 9th plan document 1999-2000 of Kumarakom panchayath, 15200 persons are employed and it is estimated that about 5% (760) of the employed persons are in the field of tourism. 5% of the employed persons in tourism sector (38) are taken from Kumarakom as samples. Like this, from the total universe, 725 samples were selected for the study. Table 1.1 gives the sample size selected for the study.

Table 1.1. Selected tourist centres

<table>
<thead>
<tr>
<th>Class</th>
<th>Number of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thekkady</td>
<td>101</td>
<td>13.93</td>
</tr>
<tr>
<td>Munnar</td>
<td>148</td>
<td>20.41</td>
</tr>
<tr>
<td>Malampuzha</td>
<td>54</td>
<td>7.45</td>
</tr>
<tr>
<td>Kovalam</td>
<td>131</td>
<td>18.06</td>
</tr>
<tr>
<td>Bekal</td>
<td>42</td>
<td>5.79</td>
</tr>
<tr>
<td>Kumarakom</td>
<td>38</td>
<td>5.24</td>
</tr>
<tr>
<td>Alappuzha</td>
<td>53</td>
<td>7.31</td>
</tr>
<tr>
<td>Erumely</td>
<td>54</td>
<td>7.45</td>
</tr>
<tr>
<td>General class</td>
<td>104</td>
<td>14.34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>725</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Direct survey—Processed by SPSS.

The nine locations selected for the study are categorized into five classes on the basis of the nature of the tourist centres. They are hill stations, beaches, backwaters, pilgrim centres and the general class. Table 1.2 gives the consolidated tourist centres.
Table 1.2. Nature of tourist centres-consolidated

<table>
<thead>
<tr>
<th>Class</th>
<th>Respondents</th>
<th>Percentage</th>
<th>Cumulative%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hill stations</td>
<td>249</td>
<td>34.3</td>
<td>34.3</td>
</tr>
<tr>
<td>Beaches</td>
<td>173</td>
<td>23.9</td>
<td>58.2</td>
</tr>
<tr>
<td>Backwaters</td>
<td>91</td>
<td>12.6</td>
<td>70.8</td>
</tr>
<tr>
<td>Pilgrim centres</td>
<td>54</td>
<td>7.4</td>
<td>78.2</td>
</tr>
<tr>
<td>General class</td>
<td>158</td>
<td>21.8</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>725</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Direct survey—Processed by SPSS.

Figure 1.1. Class-wise distribution of respondents

Table 1.3 gives the distribution of the sample on the basis of occupation. Some of the samples selected for the study are from the owners group and the others are from the employee group.
Table 1.3. Occupation-wise classification

<table>
<thead>
<tr>
<th>Class</th>
<th>Owners</th>
<th>Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hill stations</td>
<td>117 (47.0)</td>
<td>132 (53.0)</td>
<td>249 (100)</td>
</tr>
<tr>
<td>Beaches</td>
<td>86 (49.7)</td>
<td>87 (50.3)</td>
<td>173 (100)</td>
</tr>
<tr>
<td>Backwaters</td>
<td>50 (54.9)</td>
<td>41 (45.1)</td>
<td>91 (100)</td>
</tr>
<tr>
<td>Pilgrim centres</td>
<td>28 (51.9)</td>
<td>26 (48.1)</td>
<td>54 (100)</td>
</tr>
<tr>
<td>General class</td>
<td>87 (55.1)</td>
<td>71 (44.9)</td>
<td>158 (100)</td>
</tr>
<tr>
<td>Total</td>
<td>368 (50.8)</td>
<td>357 (49.2)</td>
<td>725 (100)</td>
</tr>
</tbody>
</table>

Source: Direct survey—Processed by SPSS.

Figure 1.2. Occupation-wise distribution of respondents

From each class selected for the study, the samples were selected in such a way that maximum diversity is received. Table 1.4 shows the selection of samples from each class.
Table 1.4. Classification of the respondents selected for the study

<table>
<thead>
<tr>
<th>Class</th>
<th>Hill stations</th>
<th>Beaches</th>
<th>Backwaters</th>
<th>Pilgrim centres</th>
<th>General class</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels-Big</td>
<td>12 (4.8%)</td>
<td>6 (3.5%)</td>
<td>8 (8.8%)</td>
<td>2 (3.7%)</td>
<td>8 (5.1%)</td>
<td>36</td>
</tr>
<tr>
<td>Hotels-medium and small</td>
<td>26 (10.4%)</td>
<td>21 (12.1%)</td>
<td>16 (17.6%)</td>
<td>10 (18.5%)</td>
<td>22 (13.9%)</td>
<td>95</td>
</tr>
<tr>
<td>Stationery shops</td>
<td>58 (23.3%)</td>
<td>43 (24.9%)</td>
<td>17 (18.7%)</td>
<td>8 (14.8%)</td>
<td>35 (22.2%)</td>
<td>161</td>
</tr>
<tr>
<td>Spices shops</td>
<td>14 (5.6%)</td>
<td>4 (2.3%)</td>
<td>2 (3.7%)</td>
<td>8 (5.1%)</td>
<td>28 (3.9%)</td>
<td></td>
</tr>
<tr>
<td>Handicrafts shop</td>
<td>8 (3.2%)</td>
<td>8 (4.6%)</td>
<td>4 (4.4%)</td>
<td>8 (5.1%)</td>
<td>28 (3.9%)</td>
<td></td>
</tr>
<tr>
<td>STD and Internet booths</td>
<td>30 (12.0%)</td>
<td>24 (13.9%)</td>
<td>12 (13.2%)</td>
<td>10 (18.5%)</td>
<td>18 (11.4%)</td>
<td>94</td>
</tr>
<tr>
<td>Banks</td>
<td>4 (1.6%)</td>
<td>4 (2.3%)</td>
<td></td>
<td></td>
<td>8 (1.1%)</td>
<td></td>
</tr>
<tr>
<td>Studios</td>
<td>5 (2.0%)</td>
<td>4 (2.3%)</td>
<td>2 (3.7%)</td>
<td>1 (.6%)</td>
<td>12 (1.7%)</td>
<td></td>
</tr>
<tr>
<td>Automobiles</td>
<td>32 (12.9%)</td>
<td>11 (6.4%)</td>
<td>10 (11%)</td>
<td>16 (10.1%)</td>
<td>85 (11.7%)</td>
<td></td>
</tr>
<tr>
<td>Tourist Information Services</td>
<td>4 (1.6%)</td>
<td>2 (1.2%)</td>
<td>2 (2.2%)</td>
<td>2 (3.7%)</td>
<td>14 (1.9%)</td>
<td></td>
</tr>
<tr>
<td>Government Offices</td>
<td>4 (1.6%)</td>
<td>2 (1.2%)</td>
<td>1 (1.1%)</td>
<td>2 (1.3%)</td>
<td>9 (1.2%)</td>
<td></td>
</tr>
<tr>
<td>Ayurvedic Centres</td>
<td>8 (3.2%)</td>
<td>17 (9.8%)</td>
<td></td>
<td>6 (3.8%)</td>
<td>31 (4.3%)</td>
<td></td>
</tr>
<tr>
<td>Travel Agents</td>
<td>16 (6.4%)</td>
<td>8 (4.6%)</td>
<td>6 (6.6%)</td>
<td>2 (3.7%)</td>
<td>16 (10.1%)</td>
<td>48</td>
</tr>
<tr>
<td>Paying Guest providers</td>
<td>4 (1.6%)</td>
<td>2 (1.2%)</td>
<td>2 (2.2%)</td>
<td>4 (2.5%)</td>
<td>12 (1.7)</td>
<td></td>
</tr>
<tr>
<td>Guides</td>
<td>10 (4.0%)</td>
<td>6 (3.5%)</td>
<td>2 (2.2%)</td>
<td>4 (2.5%)</td>
<td>22 (3.0%)</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>14 (5.6%)</td>
<td>11 (6.4%)</td>
<td>11 (12.1%)</td>
<td>6 (3.8%)</td>
<td>42 (5.8%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>249 (100)</td>
<td>173 (100)</td>
<td>91 (100)</td>
<td>54 (100)</td>
<td>158 (100)</td>
<td>725</td>
</tr>
</tbody>
</table>

Source: Direct survey—Processed by SPSS.
1.12 Collection of Data

The data were collected by conducting interviews with the samples selected for the study. Multiple choice questions, open-end questions, rankings by the respondents and a five point ranking scale developed by the researcher specially for this study in conformity with statistical methods and principles were used wherever necessary.

Before the commencement of the interview, the sample schedule was given to each respondent and a brief explanation was given to the respondent about the study. Each question in the schedule was asked by the interviewer to the respondents with sufficient explanation in order to elicit correct information from them. Care was also taken to give sufficient time to the respondents to think over and answer the questions. The respondents were encouraged to talk freely and frankly about their opinions and suggestions about tourism development and its various impacts. Open discussions were also conducted with the respondents. The respondents were interviewed taking into consideration their time and availability.

The researcher collected all the responses personally from the respondents. This ensured the secrecy of the responses and the privacy of the identity of the respondents.

1.13 Analysis of the Data

The collected primary data have been statistically processed, classified and tabulated by using appropriate methods. Since the sample size is large (N=725),
tables, diagrams and statistical results have been derived with the help of the
computer software called SPSS (Statistical Packages for Social Sciences)

The statistical tools used are percentages, means, standard deviation,
correlation, analysis of variations (ANOVA), correlation coefficients, coefficients
of concordance and stepwise multiple regression.

To get some insights into the impacts of economic development in different
tourist destinations, the researcher has developed a summated rating scale (Likert-
type scale) known as economic impact assessment scale. In order to test the
soundness of the measurement, appropriate statistical tools have been employed.
Internal consistency method on 100 samples was employed to test the reliability of
economic impact assessment scale. The most commonly used reliability measure
is Crownbach’s alpha, which is calculated with the help of SPSS.

The following types of analysis have been made in the given order.

1. Using eight selected items a profile of the selected respondents has been
drawn by adopting statistical tools like tables, percentages, means etc.

2. Impacts of individual and local development of the tourism-developed
areas have been analyzed with the help of percentages, means, standard
deviation, ANOVA etc. Tables were also used wherever necessary.

3. To evaluate the impact of major independent variables, viz., income,
employment, infrastructure, local industries, standard of living and regional
development, an economic impact assessment scale was developed. For
each independent variable, total score analysis, group score analysis, correlation analysis and co-efficient of concordance are calculated.

4. To measure the functional relationship between dependent variable and independent variables a stepwise multiple regression analysis is done.

5. In order to evaluate the economic development awareness among the respondents the priorities of the respondents were identified and ranked and an interval scale was prepared.

6. Finally a SWOT analysis is done in order to find out the strengths, weaknesses, opportunities and threats of tourism development in Kerala.

1.14 Limitations of the Study

Since the study is an individual effort, the investigator would like to point out some unavoidable limitations that have entered into the study. They are the following:

1. The primary data required for the study are collected from 725 respondents only and are subjected to such normal errors inherent to social surveys. The information given by the respondents is from the recall basis. Moreover the independent variables and the connected questions may not be exhaustive.

2. The scope of the research is limited to tourism-developed areas or destinations. The study could not encompass other areas. Hence the conclusions based on this study have their own limitations. However, the
issues thrown up by this study are crucial and the implications of the findings are very important.

3. The findings of the study are based on expressed opinions of the respondents, which might have its own limitations. The possibility of hiding certain facts from the part of the respondents could not be ruled out, although all possible efforts have been made to elicit correct information.

4. To the best of the researcher’s knowledge, this study is one of the pioneering studies of its kind in Kerala. Hence the primary aim is to focus attention on the broader aspects of the impacts of tourism development in the economy of Kerala and it is hoped that this study will provide a base for further researches.

1.15 Conceptual and Operational Definitions

Carrying capacity: Carrying capacity is the maximum population that can be sustained in a habitat without degradation of the life support system. It refers to the maximum number of people that can use an area without there being an unacceptable decline in the quality of the visitor experience or the environment.

Package tour: A package tour is an inclusive form of travel organised by intermediaries. Generally, it is a tour to certain destinations with air and ground transportation, hotel accommodation, meals and sight seeing charges.
Seasonality: Seasonality is the one of the most distinctive features of tourism in many parts of the world. It refers to temporal fluctuations in the volume of tourism. Tourism season is that period of time conducive to, or favourable to, heavy traffic to tourists. In Kerala the tourist season is October to March.

Conducted tour: A prepaid, pre-arranged tour in which a group of people escorted by a guide who stays with them from the start to the end of the trip.

Cultural tourism: The form of tourism whose object is, among other things, the discovery of monuments and sites. It contributes to their maintenance and protection and, in doing so, brings social, cultural and economic benefits to people.

Domestic tourist: A domestic tourist is a person who travels within the country, to a place other than his usual place of residence, for a duration of not less than 24 hours and not more than six months at a time, for any of the following purposes like pleasure, business, family, mission, meeting, study, religion etc.

Excursionist: A temporary visitor staying less than twenty-four hours in the country visited.

Tourism infrastructure: The basic public services needed for the successful operation of tourism enterprises and for optimizing the comfort of the visitors. It includes such services as roads, electricity, water, security, sanitation and health services, telephone and postal services, communication, railways, airports, seaports, etc.
Multiplier: The numerical coefficient showing how great an increase in income results from each increase in investment spending.

Multiplier effect: The money spent by the tourist circulates through the economy and stimulates it, as it changes hands and is spent and respent a number of times. There is a chain reaction of spending and respending. This constant turnover of tourist expenditure is known as the multiplier effect.

Tourism: The practice of touring or travelling for pleasure or recreation and the guidance or management of tourists as business.

Tourist: A temporary visitor staying at least twenty-four hours in the country visited and the purpose of whose journey can be classified under one of the following headings:— leisure (recreation, holiday, health, study, religion, sport etc), business, family, mission, meeting, etc.

Tourism product: The sum total of a country’s tourist attraction, infrastructure and tourist services that hopefully result in consumer satisfaction.

Class: In this study the term ‘class’ has been taken to mean a group of similar tourist destinations or products. For instance, tourist destinations with the nature of hill stations are grouped into one class and called ‘hill stations’. Similarly, there are ‘backwaters,’ ‘pilgrim centres,’ ‘beaches’ and a ‘general class’ which consists of other tourist destinations and products.

Occupation: Economic impact of tourism in a locality is related to the socio-economic status of the inhabitants of that locality. It is the outcome of different components or facets of the occupation. The term ‘occupation’ in this study means
the activity one engages in. On the basis of the occupation one can be classified either as an 'owner' or an 'employee.' An owner is a person who owns or does by himself or with the help of others some kind of economic activity which is tourism-related. An employee here means a person who does for a monetary reward some kind of economic activity that is tourism-related.

\textbf{1.16 Presentation of the Report}

The study report is presented in five chapters. They are:

Chapter 1: Introduction

Chapter 2: Development of tourism- A profile

Chapter 3: Analysis of Data

Chapter 4: Findings of the study

Chapter 5: Conclusions and suggestions.