CHAPTER - I
INTRODUCTION TO TOURISM

Tourism is essentially a societal expression of natural human instinct for experiencing the alien land and culture, enhancement of knowledge quotient through educative interactions and attaining the enjoyment of what could be termed as rejuvenation through entertainment. Tourism, being multi-dimensional, is linked to people, depends on people and thrives because of people. If this is an acceptable premise, then it follows logically that tourism development has undeniable social dimensions to it; and therefore that if such development is unregulated its social costs are high. Therefore, what is needed is a delicate balance between economic development through tourism, benefiting the national economy in terms of income and employment generation on the one hand, and minimization of social costs on the other, which are many times, overlooked. Therefore, it is pertinent that this delicate balance should not be ignored due to large economic benefits; otherwise, the society may have to pay a high price in terms of socio-cultural and moral degradation as well as degeneration of social values.

The economic implications of this phenomenon are wide-ranging and capable of influencing the development process of various nations, regions, societies and even individuals. Tourism is both a growth industry and the world’s number one export earner. It is therefore no surprise that the role of tourism is increasingly gaining prominence in the debate over how we can move towards more sustainable pattern of development and this has created increasing awareness and importance of tourism to many governments across the globe, so much so that it has been brought, of late, under the purview of GATS (General Agreement on Trade in Services).
Tourism's presence in the GATS is far too removed from local realities in tourism destinations as the language of sustainability, benefit sharing, conservation and democratization is excluded from the WTO lexicon. But the commitments of countries, reflecting this blinkered understanding of tourism, needs to be questioned.¹

One has to recognize that the ability of policy makers to arrive at possible limitations, given that prudential regulation on limiting tourism activity varies in response to the ecological fragility of areas, requires enormous capacity and the ability to foresee future development. The inability of trade negotiators who are inept at environmental policies (and who have not consulted with their respective Ministries of Environment as in the case of India during the 1994 commitments) to do this is evident. Consider that only Egypt deemed it necessary to specify that inland water passenger and/or local tours are subject to the physical capacity of the Nile River. That the GATS is being pushed by a corporate agenda raises further concerns in the context of tourism — clearly a sector where huge corporations control a substantial chunk of the market. In Europe, integrated tour suppliers sell more than 60 per cent of the packages. The monopoly of large corporations holds true not just in the hotel or tour packages sub-sectors but also on vital aspects of access to Global Distribution Systems. A recent paper by the UNCTAD (2003)² Secretariat on Distribution Services draws attention to the fact that four Global Distribution Systems manage about 80 per cent of the world tourism market and that such domination will lead to unbalanced trade benefits and a deepening of the leakage effect. Without the clauses of the GATS, the tourism industry has used various anti-competitive techniques like de-racking, exclusive use of the Global Distribution Systems (GDS) and Computer Reservation Systems (CRS) as barriers to market entry to secure higher commissions from the smaller tour operators and hotel chains in the developing countries. Thus, significance of tourism
for economic development can be understood from these facts that this industry, which so far remained within the domain of WTO, has now been considered as an integral part of trade in services with wide ramifications and permeates practically all sectors of national life. With the GATS clauses coming into effect it is clear that the domestic economy gets only a nominal amount of the profits generated. Article XVII on national treatment implies that there can be no discriminatory treatment of foreign players. Selective promotion of SMEs (Small and Medium Scale Enterprises) and restrictions regarding cross border payments will be ruled as violations if a country has committed to National treatment and market access under GATS disciplines.³

Tourism can bring both benefits and problems to the local economy and its cultural patterns, which is difficult to measure. It is critical especially in countries like India, where a strong traditional society exists.

Environmental impact of tourism has been yet another dimension in studies in tourism as conflicts emerge between human activities and conservation of Nature. Therefore, it is necessary that tourism development should be so carefully designed that such issues related to environment and ecology may be addressed in proper perspective. Ecotourism is regarded as the most legitimate manifestation of alternative tourism. The appearance of the term is significant because it provides as a catalyst around which formal investigation and development of the concept can be undertaken. It describes an activity undertaken in remote locations and involving modest accommodation which has been influential in popularizing the view that it is a small-scale undertaking that contrasts with so-called ‘mass’ or high volume tourism. Tourism can bring both benefits and problems to the local economy and its cultural patterns, which is difficult to measure.
According to Deshpande C.D. (1989)⁴ “Modern tourism owes its origin to European colonial expansion, industrialization, revolution in transport and rapid urbanization; all these came from the industrial nations. The British and the French colonial imperialism brought to light the artifacts of Egyptian, Mesopotemian, Greek and Roman civilizations. Colonial conquests led not only to discovery and exploration, but also to high adventure in the Himalayas and Andes and safari expeditions in Tropical African Lands. Life in crowded industrial cities of Western Europe impelled city dwellers to escape into countryside, at least for a while, as a change. Thus, arose the “Holiday Habit”, short in distance, short in time (weekends); thus arose seaside resorts in U.K., France, and Germany. Switzerland, in due course, became “the playground of Europe”. In the erstwhile USSR, and in East European countries there were well located, planned holiday resorts, for “rest and recuperation” of workers; holidays are compulsory and are well supported by several concessions and incentives offered by the state…”

Goa has already emerged as an ideal tourist destination for both inland and foreign tourists with increasing number of tourists who visit Goa and spend their time and money in sightseeing and leisure. Tourism, being the second-most important economic activity in the State, has proved to be an important tool for economic development. The present research is an attempt to assess the present state of tourism development and how it has contributed to the economic development of the State in terms of income and employment generations through calculations of “Income Multiplier” as well as “Employment Multiplier” in some of the major tourist areas in the State and to understand not only its economic implications but also its impact on society and environment which are vulnerable to tourism development in the State.
In this context, it will be appropriate to refer to some of the studies that are already made in this regard to understand their implications and limitations.

**Review of Literature**

Tourism, as a field of research in academic arena has a recent origin. Therefore, many academic subjects such as Political Science, Sociology, Geography, Economics, Anthropology, History, Management and so on contribute for the subject matter of tourism. Most of the literature that is available on tourism is purely Management-oriented and an economic analysis of tourism is subset of Management-oriented studies and is viewed from different perspectives. In view of this limitation, the review of literatures may not necessarily highlight the economic studies of tourism exclusively. As such economic aspects are derived from the following literatures:

The study made by Crampon L.J. (1974), makes an attempt to analyze economic growth of Hawaii as a tourist destination in response to the global economic growth patterns. Hawaii suffered during the periods of Doldrum (1800-1900) and Depression and wars years (1930-50), while tourism industry grew exponentially during the periods of fur trade years (1790-1810) and sandalwood years (1810-30). Thus the study reveals the response of tourism to economic growth of Hawaii.

Hunt John D. (1975), showed the significance of image of a destination. According to him all places have good or bad characteristics that need to be identified and analyzed so as to bring out the importance of image as a factor in tourism. He gives examples of image on the people, modernity, transportation, accommodation, food, weather, standard of living, etc, that are the utilities of a destination. Further, he tried to get perception of people of different States in the Colorado, Montana, Utah and Wyoming and suggests that, “all places have images - good and bad and indifferent - that must be identified and either changed or exploited”.

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In the article *Length of Stay Problems in Tourist Research*, Archer Brian and Sheila (1975), have analyzed the methods by which one can estimate tourist’s stay, their expenditure on accommodation and others - economic importance of tourist expenditures are dealt in tourist areas of Anglesey and Gwynedd. This is a general view as expressed by Brian and Sheila and such an analysis requires extensive survey of tourists coming from different places at a particular destination, however, economic importance of such tourist expenditures is more important for economic development of the destination. But it is devoid of other aspects of tourist expenditures such as conservation of environment and so on.

Jud Donald G and Krause Walter (1976), indicate the importance of tourism industry in Mexican and Puerto Rico in terms of foreign exchange. Besides giving a model to estimate contribution of tourism in economy, they also assessed the mushrooming of multinational hotel chain, positive and negative impacts on economy, socio-cultural and environmental transformation.

Durden Garey C. (1978) proposed a method of determining the impact of tourist expenditure on State tax revenue for calculation purposes in Florida, U.S.A. by considering a number of variables such as, per capita income and population, consumption of goods, number of tourists etc. His analysis reveals that tourism is one of the sources of generating revenue for the State by way of tax. He cautioned that tax sops are necessary to lure the visitors especially during off-season.

Tourism responds to infrastructure, therefore, Gray Peter H. (1981) distinguishes the ‘wanderlust’ tourism and resort tourism depending upon the different standards of amenities required and stresses the requirement of three aspects of infrastructure policy in a ‘wanderlust’ exporting Third World Nations, namely: internal transportation, accommodations outside modern cities and site preservation. He brings
out the difficulties and problems in these three categories, which negatively influence tourist market. However proper planning and management can avoid these difficulties, which are likely to result in profit.

A survey made in Exmoor and Edinburgh by Vaughan Roger and Long Jonathan (1982), analyzed employment in tourism industry. According to them tourism industry is primarily labour oriented and therefore, employment opportunities are high, however, what is lacking in the study is skilled and gainful employment on long-term basis due to seasonal character.

Gupta Desh Bandhu (1983), studied income and employment effect of tourism in Jammu & Kashmir State (J&K). The major thrust area revealed important tourist destinations, importance of tourism in J & K’s economy, the downfall of tourism due to militancy in the state and its effects on income and employment. This study forms the basis for analyzing the economic importance of tourism and supposed to be a perfect guideline for an economic study of tourism exclusively, however, though not relevant to Jammu and Kashmir, the study provides ample scope for coupling economic benefits with environmental aspects.

Huskey Lee (1983), proposes congestion tolls depending upon use type, area of visit, frequency of visit etc. in different types of recreational areas providing number of facilities as to have maximum satisfaction for the tourist. The proposition is relevant but takes into account only from the tourists’ viewpoint and ignores the stakeholders who are the ultimate beneficiary in the process of development of tourism. It also does not say as to how and by whom to generate resources so as to bring maximum satisfaction for the tourists.

Bargur Jona and Abrel Anver (1975), have proposed a comprehensive planning for tourism, by taking into account supply and demand relationship, comprising the
number and categories of tourists that the host country is able and willing to accept, required inputs to satisfy the tourist, ability to meet the requirements of the tourist, and distribution of various activities over the years. Both also invite positive policy on tourism of concerned governments and plan for the long-term tourism policy so as to have a fair amount of seasonal and regional distribution of tourists and meeting demands of tourists.

The observation stated here is extremely relevant as it reflects comprehensive planning for long-term development of tourism by taking into consideration the host country's physical condition and infrastructure. In addition to that, it also takes into account seasonal and regional distribution of tourists as, any spatial maldistribution may lead to uneven growth depriving the benefits to other regions within the country. But the main limitation in this observation is that it does not prescribe an integrated approach to tourism planning by taking into consideration other aspects including the stakeholders that are necessary for sustainability of tourism.

In the context of Goa, Sawant, N.N. (2001), in his doctoral work referred tourist as a floating population where emphasis is on spatio-temporal aspects of tourist arrivals to Goa. Such spatio-temporal analyses are an important component of such study to understand whether benefits are percolating to different areas due to increase or change of tourist traffic in any destination.

Chib Som N. (1977), the first Director General of India Tourist Department, gives the glimpse of international arrivals and its influence on receipt particularly from countries of North America and Europe and questions the reliability of data and methodology adopted to compile the data, which varies from country to country. The importance of embarkment cards in measurement is also mentioned. He has given a brief account of India's earnings through tourism. He pleads for sample survey on a
more or less continuous basis to collect data. Thinking on lines of Chib, one can always question the reliability of the data collected by the Tourism Department of the Government. The flaws arising out of data collection particularly in view of the fact that sufficient and reliable data are not readily available is very much true, or even if these were available, it would be examined through tourists’ sample survey with a structured questionnaire. However, one needs to acknowledge the attempts made by the concerned authorities in data collection as it provides the backdrop for dimensions of tourism in the State.

Kaul R.N. (1985), gives a lucid picture of phenomenon of tourism, its economic interrelationships and its measurement, characteristics of domestic and international tourism, tourism planning, economic development and its interrelationships, growth of tourism and creation of infrastructure for tourism. This is yet another literature in which more stress has been laid on economic interrelationship and its measurement. The study is meaningful from the viewpoint of tourism planning and economic development through interrelationship.

Malhotra R.K. (1998) writes that more money is spent annually on tourism than arms; only during recent years the study of tourism and hospitality has received wider international attention and purposeful treatment. It can be rightly said that tourism has secured its proper place not only in the academic circle, but as a part of wider national agenda for ensuring economic benefits.

Kale Sudhir H. and Wier Katherin M. (1986), have studied the tourists’ evaluation of India as their destination, in terms of expenditure, perception of India, role of mass media etc. and noted that only one per cent of American tourists visit India (1982). Therefore they stress to make efforts to present India in travelers reading magazines with positive image as to attract more Americans. India is a land of diverse culture,
tradition that by itself are enough to attract travelers from all over the world and is highlighted through slogans like 'Incredible India', 'Athithi Devobhava' by the Department of Tourism. It is not necessary that special drives have to be initiated to attract only American tourists.

Dann Graham M.S. (1977), has analyzed motivation factors for travel-such as 'escape' from routine familiarity and others, there exists 'pull' and 'push' factors besides anomie and ego enhancement factors which have been studied in detail with socio-psychological aspects of visitors to Barbados. The socio-psychological factors are important consideration in tourism studies because that motivates tourists to escape from the regular routine life that sometimes may be stressful causing depression and other mental disorders. Thus escape from these rejuvenates and refreshes and provides new life.

Crompton John L. (1979), analyzed tourism in a socio-psychological perspectives of the tourists by gauging the operation of 'pull and push' factors. The author listed the operational factors like (1) escape from a perceived mundane environment, (2) exploration and evaluation of self, (3) relaxation, (4) prestige, (5) regression, (6) enhancement of kinship relationships and (7) facilitation of social interaction, which are grouped as socio-psychological factors influencing the tourists. The socio-psychological and social interaction as mentioned above are important and must be considered in a broader sense of the above-mentioned term, as to what motivates or demotivates the tourists to visit a particular place.

Since tourism is a multi-disciplinary subject, Mitchell Lisle S. (1979), gives geographical components of tourism such as place, environment and relationships, which occur in both time and space. In addition to this another trichotomy is placed for tourism; namely: (1) the place of demand, (2) place of supply, and (3) the spatial
linkages that connect two places. A tourism Research frame is mentioned composing the components of demand, supply and linkages on one side and purpose, structure and distribution on the other. This frame (according to him) is consistent, logical and flexible to the present geography of tourism. Though geographical, the linkage effect, too, are an essential component of an economic analysis of any phenomenon and provides the necessary input for integrating various sectors of an economy in the process of overall development.

Leiper Neil (1979) discusses classification of tourists based on economic, i.e. on the basis of income, technical and holistic approaches. He refers to the orographical elements of tourism, resource of tourism process, the industrial elements such as marketing, transportation and accommodation in inter-disciplinary approach. The orographical elements presented in this study are significant because it attracts tourists to a natural environment, like the Himalayas. But such elements need not be the single-most factor to classify tourists as nature lovers. Tourists may like seashore, forests or an amalgam of all. However, the other elements, such as marketing, transportation and accommodation together form part of the industrial element are what may be termed as holistic approach.

As tourism has both positive and negative effects, study made by Fujii Edwin T. and Mak James (1979), have shows that tourists are a target and victims of rape, theft, robbery, burglary, larceny and crime in Hawaii by taking into account various variables of local population such as poverty, unemployment, density of population, police officers on duty, total employment, employed in hotels and agriculture etc. This study indicates high rate of crime committed by local population on the tourists.

Liu Juanita C. and Var Targut (1986), have studied tourism activity as seen by Hawaiians (host). There are both positive and negative impacts. The positive benefits
are jobs, business, cultural entertainments etc. The negative impacts are prostitution, drugs, and crime, besides environmental degradation.

Both the positive and negative impacts of tourism as mentioned by the authors, have far reaching consequences in destinations across the globe and several others have also raised the issues. Destinations like Thailand, Indonesia and some of the Southeast Asian countries have become famous for what is known as ‘sex tourism’. Butler R.W. (1980), 26 explains cyclic nature of tourism with stages namely: (1) Exploration; (2) Involvement; (3) Development; (4) Consolidation; (5) Stagnation; and (6) Sixth stage is subdivided into a) Renewed growth and expansion, b) continued growth but at a reduced rate with minor modifications, c) downward growth decline after initial readjustment, d) decline due to overuse of resources, and e) decline due to calamities, man-made or natural. Such cyclical nature of tourism development resembles like post-Keynesian business cycle analysis where it moves like waves with peak and trough.

Jankins C.L. (1980), 27 has analyzed the policies that influence the international tourism to ‘Third World’ countries. The author gives several factors for tourism development in the Developing Countries, namely: (1) The ‘wander-lust’ nature of the tourists,

(2) Income redistribution, i.e. high-income tourists coming to the Developing Countries, (3) Freedom from trade restrictions such as availability of visas, removal of currency restrictions and improved international relations, (4) Continued demand of the tourists to go to foreign countries, (5) Development cost i.e. (according to some) tourism is low-cost sector as it uses country’s natural attributes, (6) Employment as tourism gives economic opportunities directly and indirectly, and (7) Prestige, i.e., development of tourism and its amenities are viewed as ‘modernity’ and prestige. He
also deals with fluctuations and constraints and suggests a number of positive
government actions to further the development of tourism.

Doorn Joseph W.M. Van (1982), 28 has discussed at length the classification of
definitions of tourism, namely: Basic definitions, mono-disciplinary definitions,
statistical definitions, and system analysis definitions, and components of tourism- the
tourist, the intermediate framework, the supply of tourist resources and the societal
context, and need for forecasting of tourist arrivals with various techniques.
Definitional aspect and tourist component in the observation is extremely useful for
any such theoretical study.

Sinha, P.C. (2003) 29, observes that tourism is recognized as a major global industry
today, which not only sizeable but also a complex industry. In the last 40 years it has
seen rapid and continuous growth. Governments, mostly due to profit motives, have
seldom questioned the desirability of tourism. However, local communities, due to
some negative social and environmental impacts of tourism have voiced their concern
against it. Therefore tourism development strategies must get defined in different
regional contexts. Policy initiatives towards undertaking corrective actions must be
applied.

Sheldon Pauline J. (1986), 30 has analyzed the tour operator industry in the USA, its
magnitude, usefulness, structure, legal aspect, functions, nature of representations and
others and their implications with suggestions of making of tour operator industry
more stable. As tour operators perform dual role, first as stakeholders and then as the
main service providers, their management is significant. The role of tour operators in
any tourist destination is extremely important and is an integral part in the whole
process. As such, proper rules, guidelines and monitoring of their role are necessary

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for the development of tourism, or else, the industry may suffer due to exploitative attitude of the operators.

Hanlon J.P. (1986),\textsuperscript{31} traces the historical background and discusses the growth of air transport, its cost and benefits, fares and freight rates and proposes a number of measures to expand airline services in India. Infrastructure development is the backbone for the success of tourism industry. The study, however, does not take into the rate wars and stiff competition in the airline industry in modern times to lure the tourists in terms of package tours. Moreover, the study also does cover the modern trends in which hotel-airline interrelationship has been gaining popularity.

Cohen Erik (1978),\textsuperscript{32} has studied impact of tourism on environment, natural and cultural due to misuse or over-use of the resources, which have reduced the natural beauty of many places and corrupted the culture of the people. He has related the impact with intensity of tourists’ site use and development in rural areas, which have negative impact on traditional rural landscape, negative role played by tourist developers for the sake of high profit and therefore he suggests a number of measures for proper management of environment by making legislation and others. This study by Cohen Erik is the pioneering work and it is a matter of great concern for all. It is generally overlooked that any detraction on pleasing the visiting guests may adversely affect the flourishing trade.

Edgell David (1988),\textsuperscript{33} deals with the barriers to travel such as government restrictions, limited use of foreign exchange, levy on travelers, visas, market access etc. He pleads for removal of such restrictions as to gain social, political and economic benefits of tourism.

O’Reilly A.M. (1986),\textsuperscript{34} discusses the concept of carrying capacity as viewed by different scholars. There exists two schools of thought, namely: (1) The school that
emphasizes the number of tourists wanted rather than the number of tourists that can be attracted, and (2) The second school of thought which notes tourism capacity be considered as the levels beyond which tourists flow will decline because certain capabilities as perceived by the tourists themselves have been exceeded. There exists psychological, economic, social and environmental carrying capacity of Andranicou. He suggests that carrying capacity should be considered as a systematic strategy for planned development of tourism.

Gartner Williams C (1987),\textsuperscript{35} highlights environmental impact of tourist development particularly by the seasonal home owners and recreational lot owners; who are found to be in greater majority than permanent home owners in three counties of Michigan State; and suggest that proper use of recreational assets without damaging environment and adversely affecting the residents. As mentioned by the author, any imbalance between human activities and environment may be disastrous not only for the development of tourism, but at the same for the residents as well. As such the suggestions by Gartner are worthwhile that talks of planned tourism development through ecotourism.

Edwards Janathan R. (1987),\textsuperscript{36} discusses at length ecological impact of tourism on the Heritage coasts of the UK. The recreational activities, which are responsible for damage, are: off road vehicles, camping, caravanning, tampering, path erosion, horse riding, diving etc. He suggests need for planned recreation policies, management and co-operation of both the private and public organizations. The study has immensely contributed to general awakening among the policy makers to look at tourism not only as an instrument for economic benefit, but at the same time forced them to frame
policies for further enrichment by way of eco-friendly measures like development of ecotourism.

Shackleford Peter (1987), 37 associated with WTO, Madrid, Spain traces the genes in function and development of WTO, brings out forecast for the international tourist arrivals in relation to the main factors, which influence tourism. He stresses that terrorism should not place tourism in jeopardy and leaders of the developing countries should take into account the benefits of tourism. This remark of Shackleford is a note of caution to all countries as terrorism was just beginning to grow in many states during that time. However, today terrorism has taken an ugly turn in many countries including India where innocent tourists are often targeted by the terrorists.

Chew Joseph (1988) 38 an Executive Director in tourism, Singapore, analyzes the role of transport technology in helping growth of tourism- ‘railways laid the foundation for modern tourism, motor cars transformed life style and thirdly air services brought the greatest changes in international tourism’. He discusses also the nature of ‘new travelers’ of 2000 AD who is more matured, non-traditional and incentive traveler. However, he makes mention of hurdles and threat to tourism, such as red-tapism, tariff system, terrorism etc.

Linton Niville (1987), 39 associated with Common Wealth Secretariat, highlights the negative impact of modern tourism. According to him, tourism trivializes cultures, strengthens racist structure, enhances stereotyped viewpoint, prostitutes people (especially women and children), distorts human values and often spoils the environment. He also observes the emergence of activist groups. His remarks on negative impact of tourism are quite relevant and have rightly observed so due to his association with Common Wealth countries, which are most vulnerable to such as changes brought about by tourism.
Cohen Erik (1985) 40 takes a balanced view of modern tourism. However, he does not deny the demerits embedded in the tourism. He appreciates the work done by the school of "Alternative tourism" but their alternative form of tourism is quantitatively very small. Therefore he recommends for modest reforms in the modern tourist. So the restructuring process of tourism depends upon tourism industry, Government, churches and other non-profit organizations for a better tourism, which is the 'just' form of tourism.

Gonsalves Paul S. (1987), 41 describes the impact of tourism (particularly tourist coming from developed nations) on the 'Third world' nations. He proposes the alternative tourism, which is based on 'equality'; as the present type of tourism is between unequals causing great socio-cultural loss in the 'Third world' nations. He advocates coordinated effort between the local people, the church and education of the tourists, which will better the conditions of the locals.

Jeffery D. and Hubbard N.J. (1988), 42 have studied the importance of tourism particularly the economic benefits such as jobs, multiplier effect and foreign currency earnings. They observe that there exist localization of tourists in London and seasonality in tourist arrivals. Therefore they have suggested decentralization of hotel industry from London so as to have a balance growth.

Brown Frances (1988), 43 draws attention to the negative aspect of tourism, i.e. in the form of sex tourism. He observes that women are treated as inferior citizens and sex objects. He makes mention of danger of spread of AIDS through sex tourism which is promoted in preference to self-preservation.

Shankamarayanan, K.C. (1997), 44 studied economics of tourism industry in the state of Kerala with special reference to beach tourism. Like Goa, Kerala also attracts
tourists due to its natural serene beaches, which play a very vital role in providing employment and growth of tourist trade. Today, the State is promoting tourism not only by means of its natural attributes such as the sea, but at the same time man-made attributes such as Ayurvedic therapy, oil-massage etc. that are available naturally in the State. His study does not take into account these aspects as well as other attributes such as the environmental damages, carrying capacity etc. caused by massive inflow of tourists.

Angle, P. (2000), 45 writes that agriculture is an ignored sector in Goa while apart from mining and industrialization, tourism shows immense potential for development. His observations to exploit the potential for promotion of tourism in Goa would be investigated, but it is a fact that mining activities have extensively increased and that may cause lot of damage to growth of tourism in the State.

Sinclair M.T. & Stabler M. (1998), 46 considers tourism as one of the world’s most important activities involving millions of people, vast sums of money, and generating employment in developing and industrialized countries, however, many aspects of tourism have been ignored. However, in recent times, many other aspects such as environmental factors are being considered in almost all countries and particularly the industrialized countries which are formulating plans and policies not only for themselves but at the same time for less developed countries also.

Gondwin (1995), 47 defined as travel which is sensitive to ecological, economic and social conditions of the area being visited and which is managed so as to minimize the negative impact on the environment. Environmental aspects are the core part of the investigation by the author and suggest measures to ensure proper environmental protection.
Aislabie C.J. (1988a), identified the main shortcoming of tourism research as lack of depth and argued that there was an insufficient nexus of tested and agreed propositions to allow generalization. It appears that lot of research activities are required so as to understand and interpret the propositions for generalization.

Burns Peter & Holden Andrew (1995), consider the study of tourism as both enigmatic and bizarre: enigmatic inasmuch as there remains aspects of it difficult to define and bizarre in that it sets out to make theoretical sense of people having fun, together with an awareness of the emergent planning and coping philosophies that are gaining ground within the tourism process.

Boo (1990), ecotourism is nature tourism that promotes conservation and sustainable development – by generating funds for parks and reserves and communities around them and creating environmental education programmes for the tourists and locals.

Sustainable tourism and human participation is the need of the hour in any destination, which can be promoted by deliberate attempt. In order to promote and sustain tourism, it is essential that ecotourism must be encouraged by all the stakeholders.

Burgenmeier (1999), considers environmental protection to be conceptually inspired by the theory of internalization effects, and the design of an operational policy implies not only an interdisciplinary approach but also an explicit reference to ethical principles.

This is extremely important approach considering the fact that it calls for an interdisciplinary reference to the issue of environmental conservation in an open manner.
Asafu-Adjaye (1999), 52 opines that the effect of economic activity on the environment has been a subject of considerable debate for a long time and the environmentalists blame unbridle economic growth on the world's environmental problems, however, economists believe that economic growth is a necessary precondition for achieving a cleaner environment.

As per the estimate of the WTO, 53 Nature tourism contributes 7 percent of all international travel expenditure (Linderg et.al. 1997). From a larger perspective, ecotourism can be looked upon as a mechanism that integrates conservation of natural, cultural and historical resources and simultaneously providing economic incentive to do so. Hence, ecotourism can be viewed as a process of creating a hunger for nature, about deterring its negative impact on ecology, culture, and aesthetic (Western, 1993).

Concept and Definitions of Tourist and Tourism

Etymologically, the term ‘tourism’ is derived from Greek word ‘tornos’- a tool used in describing a circle. It might have influenced the Latin word ‘tornus’- turner’s wheel that also denotes ‘round tour.’ The old French words ‘Tower’ ‘to (u) r’ (round) and ‘travail’ refer to taking up journey or an instrument of torture, (self suffering avoiding comforts) referring to particular form of pilgrimage. The usage of the word dates back to 1292 AD. Which came into being in a sense of tour. During the mediaeval era the term had common meaning of travel – tour was used in its French context of ‘tower’. In 1643 the term tour was referred to traveling from place to place. The first reference of the term ‘tourism’ appeared in the Oxford English Dictionary in 1811. The term then was in use to denote a status pleasure tourist upto 1876. This description shows that the term tourism is continental in its origin from Greek ‘tornos’, Latin ‘tornus’, French ‘travail’,

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Every era develops its own form or forms of tourism necessitating continual, evolutionary changes in the travel and tourism industry (Leiper Neil: 1983).

There is no single definition, which is well accepted by the international scholars in the field of tourism or in any other subject, which deals with tourism such as Economics, Sociology, Hospitality Industry, Anthropology, Management, Law, Political Science and others. This has led to different definitions, which show no unanimity in defining the term ‘tourist’, or ‘tourism’. It varies from country to country and in several cases within country itself (may be because of size of the country).

Professor Hunzikar (Quoted in Ramakar, J.G., *Tourism and Transport*, Scientific Commissioning of the Alliance International De Tourism, 1954, p.8) 54 tourism is an entirety of relations and facts constituted by the travel and sojourn of persons out of their normal place of domicile, as far as this sojourn and travel are not motivated by any lucrative activity, whatever.

Committee of Statistical Experts of the League of Nations (OECD, Tourism Committee, 1973) 55 defines an international tourist as any one visiting a country other than that which is his usual place of residence for more than twenty-four hours.

The International Union of Travel Organization (IUOTO, 1950) 56 has included the students on study tours as tourists and specifying new types of traveler called an international excursionist; and transits traveler are defined as those individuals who pass through a country without stopping, regardless of time spent in the country or as those individuals who travel through a country in less than twenty-four hours and make only brief non-tourism stops.

Rome conference (1963) 57 on Travel and Tourism sponsored by the United Nations to collect data of tourists has recommended the following definitions- ‘tourists, i.e.
temporary visitors staying at least twenty-four hours in the country visited and purpose of whose journey can be classified under the following heads: a) Leisure (recreation; holiday; health; study; religion and sports) b) business; family; mission; meeting. And a visitor is any person visiting a country other than that in which he has his usual place of residence, for any reason other than following an occupation remunerated from within the country visited.

The World Tourism Organization (WTO) defines domestic tourist as “a traveler visiting a destination in his country of residence for at least twenty-four hours but less than one year for the purpose of recreation, holidays, sports, business, meetings, conventions, study, visiting friends or relatives, health, mission work, or religious.”

‘WTO further defines a domestic excursionist as a ‘visitor traveling in his country of residence for any of the reasons given for tourist but who stays less than twenty-four hours at the destination.’

To the National Tourism Resources Review Commission (1973) of the USA, the term tourist refers to any one who travels away from home for at least 80 kilometers (50 miles) one way for any purpose other than to commute to work, regardless of the duration of the trip.

In Canada states also, it may be observed that the definitions of various states varies. Both Statistics Canada & Tourism Canada use a minimum distance of 80 kilometers for including a respondent as tourist in their Canada Travel Survey. But Ontario state’s Ontario Travel Survey (1983) uses a forty kilometers (25 miles) one-way distance criterion for defining a tourist. British Columbia defines ‘visitor’ or ‘tourist’ as ‘an individual traveling away from his usual place of residence who stays for at least one night’. (No importance is given here for distance i.e. ‘how far away’)
In United Kingdom, the British Tourist Authority (1980) gives importance to a tourist trip rather than tourist in its definition.

To Australian Department of Tourism and Recreation (1975), it is an identifiable nationally important industry. The industry involves a wide cross section of component activities including the provision of transportation, accommodation, recreation, food and related services. To Ansett Airlines of Australia (1977), tourism means the provision of transportation, accommodation, recreation, food and related services for domestic and overseas travelers.

According to McIntosh (1987), tourism can be defined as the service, art, and business of attracting and transporting visitors, accommodating them and graciously catering to their needs and wants, which means tourism is business on the one hand, and an art to attract tourists or visitors by looking after their well being during their stay.

According to Wahab (1975), the anatomy of tourism is composed of three elements: Man, the author of act of tourism; Space, the physical element to be covered, and Time, the temporal element consumed by trip and stay. This definition is an all-inclusive and composite in nature that has taken into account all the elements that constitutes tourism.

According to Jafari Jafar (1977), it is a study of man, away from his usual habitat, of the industry which responds to his needs, and of the impacts that he and the industry have on host's socio-cultural, economic and physical environment. This definition, in addition to the usual attributes of tourism, incorporates socio-cultural impacts on the host country's physical environment, which is important for sustainable development of tourism.
To Lickorish (1975),

\[ \text{tourism embraces all movements of people outside their own community for all purposes except migration or regular daily work. This definition is distinctly differentiating between tourism and migration, i.e. movements of people other than migration or regular daily work, can be termed as tourism.} \]

Hunziker and Krapp (1942),

\[ \text{states that the tourist is defined as the sum of phenomena and relationships arising from the travel and stay of non-residents, in as far as they do not lead to permanent residence and are not connected to any earning activity. While the other definitions mainly concentrate on defining the term tourism, this particular definition has made an attempt to define tourists who are essentially non-residents and have no intention either to make the place as their residence and above all are not connected with any earning activity.} \]

Smith Valene L. (1989),

\[ \text{defines that "tourism as a phenomena that exists when all components of an equation exists as: } \text{Tourism} = \text{Discretionary Income} + \text{Leisure Time} + \text{Positive social sanctions.} \text{ In this equation that defines tourism, the last dependent variable in the equation that denotes positive social sanctions is extremely significant especially for those countries where tourism is the mainstay of the economy. It also signifies the negative impacts that are associated with tourism development.} \]

To Cohen Erik (1974),

\[ \text{tourist is a voluntary, temporary traveler, traveling the expectation of pleasure from novelty and change experienced on a relatively long and non-recurrent round trip. This definition, like the earlier definition shares by and large the same attributes that of non-permanent, temporary stay and so on.} \]

To Douglas Pearce (1979),

\[ \text{tourism has been variously defined but may be thought of as the relationships and phenomena arising of the journeys and temporary stays of people traveling primarily for leisure or recreational purposes. The duration of these} \]

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stays may vary. For statistical purposes a four-night minimum is commonly accepted for a domestic holiday but stays of only twenty-four hours are universally recognized in the case of international tourism.

Department of Tourism, Ministry of Tourism, Government of India (1985) while collecting data on tourists has defined international visitor as ‘an international visitor is any person holding a foreign passport, visiting the country and the main purpose of whose visit is other than exercise of an activity remunerated from which the country or establishment of residence in the country’. This definition covers two segments of visitors: Foreign Tourist and Excursionist. ‘A foreign tourist is a person visiting India on a foreign passport, staying at least twenty-four hours in India and the purpose of whose journey can be classified under one of the following headings- (1) Leisure (recreation, holiday, health, study, religion and sport); (2) Business, family, mission, meeting. Excursionist is a visitor in accordance with the foregone definition staying less than twenty-four hours in the country. And ‘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 or in dharamshalas / saris / mushafirkhana / agrashalas / choultries etc. or stays with friends and relatives and uses sightseeing facilities or pilgrims for a duration of not less than twenty-four hours or one night and not more than six months at a time for any of the following purposes: i) Pleasure (holidays, leisure, sports etc.); ii) Pilgrimage, religious, and social functions; iii) Business, Conferences, and Meetings; and iv) Study and health.

These definitions reveal the variations in defining a tourist. This is because of variation in degree and depth a tourist is viewed. Therefore, these may be regrouped. According to Doorn Joseph N.M. Van (1986), depending upon content and purpose of definitions,
the definitions are classified into four categories: (1) Basic definitions; (2) Mono-Disciplinary definitions; (3) Statistical definitions; and (4) System analysis definitions.

The basic definitions cover both static (tourist stay) and dynamic (journey). Doorn (1986) quotes the definition given by Burkart and Medlik as a fine example of this type: ‘Tourism denotes the temporary, short term movement of people to destinations outside the place where they normally live and work for other than business or vocational reasons, and their activities during stay at these destinations’.

The second type of definitions, which are mono-disciplinary in their nature, give importance to motivations, ‘temporary movement of people’, relaxation, health, recovery from stress, cultural and educational interest, self-realization and so on.

The third type of definitions is technical in their nature, which are usually mono-disciplinary involving method for collecting tourist data. Government and international organizations develop these technical tools to collect data pertaining to number of tourists visiting a particular place, duration of stay and so on.

The fourth category of definitions are called system analysis definitions which cover use of sophisticated data processing and assessment techniques wherein, tourism is viewed as a system linking several items, such as: i) Links between tourists and region they visit; ii) Links between the tourist and service sector, i.e. the agencies responsible for transport, accommodation, recreation, catering etc.; iii) Links between tourist and the host society; iv) Link between tourists, the service sector, the destination area and the policy making authorities.

According to Leiper Neil (1979), definitions are classified into three basic groups, namely, a) Economic definitions, b) Technical definitions, and c) Holistic definitions. Definitions of McIntosh, Department of Tourism and Recreation and Ansett Airlines
are economic in nature, and League of Nations and OECD, IUOSO definitions are technical examples and Jafari, Hunzikar and Kraph definitions are holistic in their approach.

These definitions as mentioned above furnish various traits that a tourist must possess. A few of them are mentioned below:

- Temporary change of one's 'beat area';
- Visiting voluntarily after traveling/covering distance;
- Normally will not engage in earning;
- Away from one's own residence/home;
- Spends rather than earns;
- Stays in accommodation units of hospitality industry destination area such as hotels, resorts or stays with friends or relatives or as paying guest or in rental house;
- One is on vacation rather than on vocation;
- Tourist is affected by 'push' factors strain/stress and seeks 'pull' areas to recreate oneself; (both in terms of body and mind) as to go home and back to work;
- And as mentioned in the beginning of the chapter, educative interaction;

Therefore tourist trips are circuitous in nature, i.e. tourist is returning to the original point of beginning.

**Economic Development**

The concept of economic development includes the idea of economic growth, where there is an increase in the size of the economy. Measures used to gauge economic growth include investment, output, consumption and income. But economic
development also includes a notion of changing the quality or nature of the economy, such as by changing investment choices or technology. In technical jargon, economic growth is movement along the same production possibility curve or frontier while economic development denotes an upward shift in production possibility curve. In economic growth, the level of investment, consumption and technology remains unchanged and hence, economic growth resembles a static growth model in which the same given level of output is produced year after year. Economic development on the other hand is dynamic which is brought about by upward shift in production possibility curve, which in turn, is caused by investment choice, change of technology, quality control measures and so on leading to greater increase in output, employment and income. In effect, a complete list of State activities that foster economic development would include almost everything the States do. Policies on public education, transportation, public health, environmental conditions and others affect the nature of an economy. At the same time, States enact dozens of more narrowly targeted programmes for economic development.

Many States in India and abroad are increasingly relying on tourism and travel as a means of economic development; and for the good reason, as tourism is the world's largest industry and India's number one export. States are adopting new ways and means of promoting themselves domestically and abroad. NCSL has just published a paper on jobs and wages in the tourism industry. Taxes on the traveler have skyrocketed in the last several years, prompting the industry to fight for tourism taxes imposed by the government that are not earmarked specifically for tourism promotion activities. However, local option tourism taxes such as lodging and car rental taxes continue to be popular.
Economic Impacts of Tourism

The tourism industry generates substantial economic benefits to both host countries and tourists’ home countries. Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economic improvement. As with other impacts, this massive economic development brings along both positive and negative consequences.

According to the World Tourism Organization, 698 million people traveled to a foreign country in 2000, spending more US$ 478 billion. International tourism receipts combined with passenger transport currently total more than US$ 575 billion - making tourism the world’s number one export earner, ahead of automobile products, chemicals, petroleum and food. There are many hidden costs to tourism, which can have unfavorable economic effects on the host community. Often rich countries are better able to profit from tourism than poor ones. Whereas the least developed countries have the most urgent need for income, employment and general rise of the standard of living by means of tourism, they are least able to realize these benefits. The reasons for this are large-scale transfer of tourism revenues out of the host country and exclusion of local businesses and products, which are collectively known as negative economic impact. The main positive economic impacts of tourism relate to foreign exchange earnings, contributions to government revenues, and generation of employment and business opportunities. These are discussed briefly here as under.

1. Tourism expenditures and the export and import of related goods and services generate income to the host economy and can stimulate the investment necessary to finance growth in other economic sectors. Some countries seek to accelerate this growth by requiring visitors to bring in a certain amount of foreign currency
for each day of their stay and do not allow them to take it out of the country again at the end of the trip.

An important indicator of the role of international tourism is its generation of foreign exchange earnings. Tourism is one of the top five export categories for as many as 83 per cent of countries and is a main source of foreign exchange earnings for at least 38 percent of countries.

2. Government revenues from the tourism sector can be categorized as direct and indirect contributions. Direct contributions are generated by taxes on incomes from tourism employment and tourism businesses, and by direct levies on tourists such as departure taxes. Indirect contributions are those originated from taxes and duties levied on goods and services supplied to tourists. The World Travel and Tourism Council estimates that travel and tourism's direct, indirect, and personal tax contribution worldwide was over US$ 800 billion in 1998 - a figure it expects to double by 2010.

3. The rapid expansion of international tourism has led to significant employment creation. For example, the hotel accommodation sector alone provided around 17 million jobs worldwide presently. Tourism can generate jobs directly through hotels, restaurants, nightclubs, taxis, and souvenir sales, and indirectly through the supply of goods and services needed by tourism-related businesses. According to the WTO, tourism supports nearly 7 per cent of the world's workers.

4. Tourism can induce the local government to make infrastructure improvements such as better water and sewage systems, roads, electricity, telephone and public transport networks, security all of which can improve the quality of life for residents as well as facilitate tourism. In effect, more and more tourists will be
Tourism and Economic Development: A Cost-Benefit Analysis

In 1984 the American Economic Development Council (AEDC) published a paper titled *Economic Development Today: A Report to the Profession*. The report stated the following: "Economic Development is a process of creating wealth through the mobilization of human and financial capital, physical and natural resources to generate marketable goods and services. The economic developer's role is to influence the process for the benefit of the community through expanding job opportunities and the tax base."

AEDC reaffirmed its definition in (1991), when Dr. Ronald J. Swager of the Center for Community and Economic Development (CCED) of The University of Southern Mississippi completed his assignment to supervise and edit another study titled *Economic Development Tomorrow*. On page 4 of his report Dr. Swager states that, "The entire set of approaches to economic development practice may be considered as a specialized form of marketing."

Somewhere centuries ago a community decided to celebrate, and a festival was born. Vendors sensed that people would gather and be in a mood to buy their wares. Townsfolk realized that visitors from far off places would need places to rest. Someone knew enough to organize the event and, if that person was a visionary, he knew that revelers would pay to watch the sun go down, that is if accompanying food and music were provided.

Visitors beat new paths to the community. Paths turned into roads. Vendors decided that the festival was sustainable, so they stayed on, calling the place where they gathered...
do business the market. The community now had a commercial center. Dwellings that offered hospitality became inns and eating-places. The sun was reliable in its setting. This was the place where tourism was born.

Tourism developers are marketers. The elements of their marketing activities include recruiting, as well as the creation of products that entice visitors to linger and seek leisure activities that will part them from their money. For all practical purposes, tourism development and tourism promotion are the same things. Promotion is an element of marketing.

In areas of the world where the Industrial Age has ended, there is only a semantic distinction between tourism developers and economic developers, in terms of how they function to serve prospects. In fact, industrial developers in North America only began to change their identity to "economic developers" about 25 years ago. Most people worldwide still think of economic development in terms of industrial development. Economic developers often refer to themselves as product developers when they are oriented towards tourism development and similarly engaged in readying their communities. Separating economic development activities into "industrial" or "tourism" is of little importance until it causes confusion for those who own opportunities and have decisions to make that affect locations or expansions. The smaller the community, the more important it is that the local economic developer be capable of addressing the needs of all types of prospects.

Entrepreneurs are more likely to be involved in tourism-related product development than are corporate executives responsible for relocating or expanding operations. Entrepreneurs are also more likely to be unfamiliar with the nuances of the economic development process as it relates to finding resources and assistance. In addition to
entrepreneurs, investors and property or project developers are generally what make up a "whole" tourism-related prospect.

During the times of industrial development opportunity, communities promote and recruit for prospects that come neatly prepackaged, as compared to times of development opportunity for tourism product, which are primarily commercial opportunities. Industrial prospects generally challenge a community with a standardized set of criteria that place it in a competitive position against other communities. Commercial prospects generally challenge a community to produce evidence of market potential. If entrepreneurs seek assistance from economic developers, it is generally because they want help in putting their packages together so that they can become a whole prospect. When they call upon economic developers they often want assistance in finding sources of capital (investors) and people who can make a concept work (developers). In order to find a starting point for guiding those who want to maintain their communities in a position to grow as commercial centers, as well as for guiding those who are business leaders, with opportunities to bring to communities. The time of the 1996 Summer Olympic Games, which took place in Atlanta, Georgia, provided an opportunity to be exposed to all facets of tourism-related product at one time. It was before, during and after the event, that a need was felt for a consultant with product development responsibilities that extended beyond the metropolitan area of Atlanta throughout the state of Georgia, and into the whole region of the Southeastern United States. It was involved with prospects of interest in capturing the market created by the event in Atlanta, as well as in developing permanent markets in rural areas. It forced to define tourism product and carefully consider its process when confronted with any opportunity that would affect its development. The Tourism Development section has developed several key tourism development strategies to benefit Texas communities,
particularly rural and border communities, where tourism is often an important source of income, tax revenue, and job creation. A comprehensive tourism development outreach effort provides training, assistance, and technical expertise through regional workshops, assessments, and presentations to help communities, businesses, and organizations recognize, develop, package, and market their tourism destinations and products. Tourism outreach efforts also market the programs and services to assist Texas travel partners in their marketing efforts.

**Contribution of Tourism to Local Economies**

Tourism can be a significant, even essential, part of the local economy. As the environment is a basic component of the tourism industry's assets, tourism revenues are often used to measure the economic value of protected areas. The importance of tourism to local economies can also be illustrated by the impacts when it is disrupted: the catastrophic 1997 floods that closed Yosemite National Park in California cause locally severe economic losses to the areas around the park. During the tsunami in Thailand, and Indonesia large number of tourists immensely contributed towards relief and rehabilitation work of not only the people, but at the same time to the process of rebuilding the tourist resources in those countries.

As far as economic benefits are concerned, tourism certainly constitutes an opportunity for economic development, economic diversification and the growth of related activities, in developing countries especially, contributing around 1.5 per cent of world's GNP. Tourism is also a major source of income and employment. Tourism based on the natural environment (ecotourism) is a vital growing segment of the industry and, despite the negative impacts, and given the fact that tourism generates a large proportion of income and that a growing percentage of the activities are nature-
based, tourism does present a significant potential for realizing benefits in terms of the conservation of biological diversity and the sustainable use of its components.

Among the benefits are direct revenues generated by fees and taxes incurred and voluntary payments for the use of biological resources. These revenues can be used for the maintenance of natural areas and the contribution of tourism to economic development, including linkage effects to other related sectors and job-creation. Sustainable tourism can make positive improvements to biological diversity conservation especially when local communities are directly involved with operators. If such local communities receive income directly from a tourist enterprise they, in turn, increase their evaluation of the resources around them. This is followed by greater protection and conservation of those resources as they are recognized as the source of income. Moreover, sustainable tourism can serve as a major educational opportunity, increasing knowledge of and respect for natural ecosystems and biological resources. Other benefits include the provision of incentives for maintaining traditional arts and crafts, traditional knowledge, and innovations and practices that contribute to the sustainable use of biological diversity.

Tourism is one of the world's fastest growing industries as well as the major source of foreign exchange earning and employment for many developing countries, and it is increasingly focusing on natural environments. However, tourism is a double-edged activity. It has the potential to contribute in a positive manner to socio-economic achievements but at the same time, its fast and sometimes, uncontrolled growth can be the major cause of degradation of the environment and loss of local identity and traditional cultures.
The direct income for an area is the amount of tourist expenditure that remains locally after taxes, profits, and wages are paid outside the area and after imports are purchased; these subtracted amounts are called leakage. In most all-inclusive package tours, about 80 per cent of travelers' expenditures go to the airlines, hotels and other international companies (who often have their headquarters in the travelers' home countries), and not to local businesses or workers. In addition, significant amounts of income actually retained at destination level can leave again through leakage.

There are two main ways that leakage occurs:

- **Import Leakage:**
  This commonly occurs when tourists demand standards of equipment, food, and other products that the host country cannot supply. Especially in less-developed countries, food and drinks must often be imported, since local products are not up to the standard of tourists or the country simply doesn't have a supplying industry. Much of the income from tourism expenditures leaves the country again to pay for these imports.

  According to UNCTAD (2001) The average import-related leakage for most developing countries today is between 40 per cent and 50 per cent of gross tourism earnings for small economies and between 10 per cent and 20 per cent for most advanced and diversified economies.

- **Export Leakage**
  Multinational corporations and large foreign businesses have a substantial share in the import leakage. Often, especially in poor developing destinations, they are the only ones that possess the necessary capital to invest in the construction of tourism infrastructure and facilities. As a consequence of this, an export leakage arises when
overseas investors who finance the resorts and hotels take their profits back to their country of origin.

A 1996 UN report evaluating the contribution of tourism to national income, gross levels of incomes or gross foreign exchange, found that net earnings of tourism, after deductions were made for all necessary foreign exchange expenditures, were much more significant for the industry. This report found significant leakage associated with: (a) imports of materials and equipment for construction; (b) imports of consumer goods, particularly food and drinks; (c) repatriation of profits earned by foreign investors; (d) overseas promotional expenditures and (e) amortization of external debt incurred in the development of hotels and resorts. The impact of the leakage varied greatly across countries, depending on the structure of the economy and the tourism industry. The Caribbean, St. Lucia had a foreign exchange leakage rate of 56 per cent from its gross tourism receipts; Aruba had 41 per cent, Antigua and Barbuda 25 per cent and Jamaica 40 per cent.

Local businesses often see their chances to earn income from tourists severely reduced by the creation of "all-inclusive" vacation packages. When tourists remain for their entire stay at the same cruise ship or resort, which provides everything they need and where they will make all their expenditures, not much opportunity is left for local people to profit from tourism.

The Organization of American States (OAS) carried out a survey in 2001 of Jamaica's tourist industry that looked at the role of the all-inclusive compared to other types of accommodation. It found that "All-inclusive hotels generate the largest amount of revenue but their impact on the economy is smaller per dollar of revenue than other accommodation sub sectors".
It also concluded that all-inclusive imported more, and employed fewer people per dollar of revenue than other hotels. This information confirms the concern of those who have argued that all-inclusive have a smaller trickle-down effect on local economies. (Source: Tourism Concern) The cruise ship industry provides another example of economic enclave tourism. Non-river cruises carried some 8.7 million international passengers in 1999. On many ships, especially in the Caribbean (the world's most popular cruise destination with 44.5 per cent of cruise passengers), guests are encouraged to spend most of their time and money on board, and opportunities to spend in some ports are closely managed and restricted.

- **Infrastructure Cost**

Tourism development can cost the local government and local taxpayers a great deal of money. Developers may want the government to improve the airport, roads and other infrastructure, and possibly to provide tax breaks and other financial advantages, which are costly activities for the government. Public resources spent on subsidized infrastructure or tax breaks may reduce government investment in other critical areas such as education and health.

- **Increase in Prices**

Increasing demand for basic services and goods from tourists will often cause price hikes that negatively affect local residents whose income does not increase proportionately. A San Francisco State University study of Belize (1998), found that, as a consequence of tourism development, the prices for locals increased by 8 per cent.

Tourism development and the related rise in real estate demand may dramatically increase building costs and land values. Not only does this make it more difficult for local people, especially in developing countries, to meet their basic daily needs, it can
also result in a dominance by outsiders in land markets and in-migration that erodes economic opportunities for the locals, eventually disempowering residents. In Costa Rica, close to 65 per cent of the hotels belong to foreigners. Long-term tourists living in second homes, and the so-called amenity migrants (wealthy or retired people and liberal professionals moving to attractive destinations in order to enjoy the atmosphere and peaceful rhythms of life) cause price hikes in their new homes if their numbers attain a certain critical mass.

- **Economic Dependence of the Local Community on Tourism**

Diversification in an economy is a sign of health, however if a country or region becomes dependent for its economic survival upon one industry, it can put major stress upon this industry as well as the people involved to perform well. Many countries, especially developing countries with little ability to explore other resources, have embraced tourism as a way to boost the economy.

In Gambia (1998), for instance, 30 per cent of the workforce depends directly or indirectly on tourism. In Small Island developing states, percentages can range from 83 per cent in the Maldives to 21 per cent in the Seychelles and 34 per cent in Jamaica, according to the WTO (2001). Over-reliance on tourism, especially mass tourism, carries significant risks to tourism-dependent economies. Economic recession and the impacts of natural disasters such as tropical storms and cyclones as well as changing tourism patterns can have a devastating effect on the local tourism sector.

- **Seasonal Character of Jobs**

The seasonal character of the tourism industry creates economic problems for destinations that are heavily dependent on it. Problems that seasonal workers face include job (and therefore income) insecurity, usually with no guarantee of
employment from one season to the next, difficulties in getting training, employment-related medical benefits, and recognition of their experience, and unsatisfactory housing and working conditions.

Impact Affecting Tourism

Economic crises, like the Asian crisis that hit Thailand, Malaysia and Indonesia in 1997 can be devastating to inbound tourism flows. The financial turmoil triggered a sharp fall in tourism flows to affected countries during 1997 and 1998. In the Philippines, the crisis and the temporary closure of Philippine Airlines affected inbound arrivals significantly as there was a decline of almost 3.3 per cent in 1998.

Thus on the basis of these findings, particularly of the negative impact of tourism, it seems that all is not well when an economy depends heavily on tourism. These are the lessons that must be learnt by an economy like Goa, which depends on tourism.

In considering the role of tourism in the sustainable use of biological resources and their diversity, it is important that the potential adverse impacts of tourism are fully considered. These are roughly divided into environmental impacts and socio-economic impacts, the latter generally being those imposed on local and indigenous communities. Although such impacts on biological resources may be less easy to quantify and analyze systematically, they may be at least as important as, if not more important than, environmental impacts in the long term.

Direct use of natural resources, both renewable and non-renewable, in the provision of tourist facilities is one of the most significant direct impacts of tourism in a given area. Land use for accommodation and infrastructure provision, the choice of the site, the use of building materials are all essential factors. Deforestation and intensified or unsustainable use of land also cause erosion and loss of biodiversity. Direct impact on the species, composition and on wildlife can be caused by incorrect behaviours and
unregulated tourism activities (e.g. off-road driving, plant-picking, hunting, shooting, fishing, scuba diving). Moreover, tourists and tourist transportation means can increase the risk of introducing alien species and the manner and frequency of human presence can cause disturbance to the behavior of animals. Construction activities related to tourism can cause enormous alteration to wildlife habitats and ecosystems.

Tourism has for many years been focused on mountain and coastal areas. Pressures from tourism activities on biological resources and their diversity are enormous and includes: erosion and pollution from the construction of hiking trails, bridges in high mountains, camp sites, chalet and hotels. Tourism activities have a major impact also on the marine and coastal environment, the resources they host and the diversity of those resources. Most often, those impacts are due to inappropriate planning, irresponsible behavior by tourists and operators and/or lack of education and awareness of the impacts by, for example, tourist resorts along the coastal zones.

Tourism is also a water-intensive activity with a large production of waste. The extraction of groundwater by some tourism activities can cause desiccation, resulting in loss of biological diversity. Moreover, the disposal of untreated effluents into surrounding rivers and seas can cause eutrophication and it can also introduce a large amount of pathogens into the water body. Disposal of waste produced by the tourism industry may cause major environmental problems.

Socio-economic and cultural impacts of tourism include influx of people and related social degradation, impacts on local communities and on cultural values. Increased tourism activities can cause an influx of people seeking employment or entrepreneurial opportunities, but who may not be able to find suitable employment, thus causing social degradation. Sudden loss of income and jobs can also be experienced in times of downturn, if the economy is not diversified and it heavily
relies on tourism. When tourism development occurs, economic benefits are usually unequally distributed among members of local communities. In the case of foreign direct investment, much of the profit may be transferred back to the home country. Therefore, tourism can actually increase inequalities in communities, and thus relative poverty.

Tourism has a highly complex impact on cultural values. Tourism activities may lead to intergenerational conflicts and may affect gender relationships. Traditional practices and events may also be influenced by the tourist preferences. Tourism development can lead to the loss of access by indigenous and local communities to their land and resources as well as sacred sites.

Sustainable tourism is therefore in everybody's interest. Given that a high percentage of tourism involves visits to naturally and culturally distinguished sites, generating large amounts of revenue, there are clearly major opportunities for investing in the maintenance and sustainable use of biological resources. Along with the efforts to maximize benefits, efforts must be made to minimize the adverse impacts of the tourism industry on biological diversity.

In this context, one the challenges for the convention on biological diversity is to develop, promote and disseminate guidelines for the sustainable planning and management of tourism activities in vulnerable terrestrial, marine and coastal ecosystems and habitats of major importance for biological diversity.

Thus it is pertinent to make a case study on all these aspects in Goa, which will benefit not only the in the process of economic development of Goa, but at the same time benefit the visitors too. Economic development is a complex mix of several variables and not restricted to quantitative growth in terms of increase in job
opportunities, increase in income and output only. In other words, it is both quantitative and qualitative growth of an economy.

**Backward and Forward Linkages**

Tourism is attributed to development of backward and forward linkages. Therefore the following section of this chapter attempts to understand the linkage effect. A link (or linkage effect) was originally defined as a characteristic, more or less compelling sequence of investment decisions occurring in the course of industrialization and more generally of economic development. Inevitably, every enterprise has links with other firms by virtue of either receiving goods or services and / or of supplying goods and services to other firms. Thus the linkages of a firm are of two kinds, namely backward or input linkages (where the firm receives) and forward or output linkages (where the firm supplies). The advantage of linkage chains is that they encourage specialization, which, in turn, results in the reduction of costs and in greater efficiency, while the disadvantage of such chains is that default by one firm repercusses through the chain and to the detriment of other linked firms.

A vision does not exist by itself. It has both backward and forward linkages. To establish the backward linkages, the following questions are pertinent: What are the objective conditions of this trade? What is the state of the people? What has happened to its resource base? It is out of such an assessment that a vision emerges. Then only one can establish the forward linkages of that vision - the linkages which give form and content to the vision: the evaluation of its implementability, the plan for its realization, and the programme for its ownership by those it intends to uplift, encourage the maximization of backward and forward linkages within each lead sector and between sectors in order to create economies of scale and scope. For
example, the removal of tariffs and non-tariff barriers within the European Union or CARICOM area will significantly enlarge the market potential for regional agro-processors beyond previously "protected" national markets. This enables them to plan for large-scale operations as well as encouraging flexibility and specialization, thus affording smaller producers opportunities to enter into collaborative marketing, warehousing and shipping arrangements to exploit niche markets. Reduced prices should also benefit the consumer.

Likewise, improvements in management capacity, operating technologies, capitalization, plant and guest satisfaction at small hotels, inns and restaurants will result from the enforcement of higher standards, greater HRD assistance to the sector as well as deeper synergies within this sub sector as well as the wider tourism sector. Stronger alliances and partnerships with the cruise ship, airline, tour operators, large hotels and destination marketing companies will contribute to increased efficiencies, higher profitability, greater employment and the use of local and regional products and services.

Tourism has backward and forward linkages. The backward linkages are in terms of tourist information services, existing infrastructure, such as roads, railways, airports, shipping corporation, hotels, restaurants, power, natural environment, other resources-local and so on. The forward linkages in tourism are investment in technology (IT), manpower planning, human resource development, conservation and satisfaction of the tourists.

**Significance of the Present Study**

After an elaborate discussion on various issues raised in the studies already mentioned above, it is observed that the literature has some limitations or gaps. The present
research attempts to fill in the gaps by taking into account the Goa’s tourism scenario. These studies are not full-proof studies; there are limitations, which will form the basis for the present study, undertaken in Goa.

To begin with, Goa has passed through several stages of tourism growth. The initial stage i.e. from early days of Portuguese rule when entry was restricted for Indians when tourism was at its nadir. The post liberation era experienced mass inflow of tourists in the 1970s following the arrival of American Hippies. While in the last two decades, there has been exponential growth of tourist, exceeding the local residential population. Therefore, the present study focuses on temporal growth of tourists in terms of number and nationality and hence, such a study would be meaningful in this context to predict the future growth of tourists. Moreover, the present study would bring out Goa’s image as a perfect tourist destination and also explore the reasons as to why tourists prefer this destination out several destinations in the country.

Extensive survey in the study areas was undertaken to ascertain the economic importance of tourism and whether benefits to those directly associated with this trade are percolating down to the masses will be analyzed through income multiplier. Employment generation through tourism in Goa is another economic implication that is addressed through calculation of employment multiplier. As tourism in Goa is seasonal in nature, obviously nature and types of employment generated in the industry forms core part in this study. Study on tourist resources or products both natural and man-made are essential ingredients as these are the products that are sold to the tourists visiting Goa. Therefore, such products, both existing and proposed ones to be developed, are analyzed with an emphasis on its sustainability. For proper development of tourism basic support of infrastructure is extremely important. Infrastructure development is a basic pre-requisite for the success of tourism. The
present study assesses the existing infrastructure and whether there is need for further expansion.

The social and environmental issues raised in studies also calls for introspection into the whole gamut and hence, will be studied as generally speaking, in the pursuit of material prosperity there is a tendency to overlook these aspects.

The study will also highlight the role of the government, NGOs and other institutions in overall development of tourism and tourism planning in the State so as to strike a balance between tourism and environmental conservation.

**Objectives of the Study**

Any tourism involves a temporary sojourn of people in a place away from their place of residence. By doing so, they spend their previously earned income in those places where they stay for short periods and introduce consciously or unconsciously their own way of life and habits. Tourism is a complex phenomenon comprising various aspects like the number of tourists, their behavioral pattern, and social, economic and cultural conditions. However, it seems to have bright prospect in the State of Goa, as it is an important tourist destination in the country and has sufficient potential for its development. Therefore, the principal objectives of the study concerning the various aspects of tourism in Goa are mentioned as below:

- To assess growth and development of tourism in Goa during pre and post liberation periods, that is, prior to 1961 and thereafter. This will focus on number of tourists both domestic and foreign, visiting in Goa.
• To assess the tourism resources or tourism products in the State and whether existing infrastructure facilities are sufficient to cater to requirements of tourists and also to make a comparative study of impact of tourism on other sectors indicating changes brought by tourism.

• To estimate the contributions of tourism to Goa's economic development, in terms of gross domestic product (GSDP) and to bring to light the concepts of ‘Income Multiplier’, and ‘Employment Multiplier’ in order to assess the benefits which tourism would bring about to further the economic development of the state.

• To assess the impact of tourism on Goa’s ecology, environment and society, which is often a subject matter of significant debate, discussion and deliberation among the educated classes, economists, environmentalists, sociologists, and scholars of other disciplines and the need for development of eco-tourism, as an alternative form of tourism to minimize the costs and maximize the benefits to the people at large, arising out of tourism.

• To identify and explore the possibilities of integrating the development of tourism with the development of other sectors like, agriculture, manufacturing, industry, mining, which are directly or indirectly connected to development tourism in Goa.

• Projection of development of tourism and exploring the expansion of tourism in the study area.
Hypotheses

The present study proposes to raise the following hypotheses in the light of the above objectives:

1. The arrival of tourists from different parts of a country or nations to tourist destinations results in flow of money in the destinations.
2. Tourism development acquires economic significance because it takes different forms in different contexts.
3. Tourism can give rise to spread effects.
4. Tourism influences employment and income generation in an area.
5. Development of tourism in a destination depends on existence of appropriate infrastructure.
6. Massive growth of tourism in a destination can give rise to negative effects also.

Data Base and Methodology

Such an extensive and empirical study requires extensive data collection, both in primary and secondary form. The secondary data have been obtained from various sources

1. Government publications – Census reports, Statistical Yearbooks, Tourist reports

The secondary data source was mainly used for the purpose of analytical study of tourists' spatio-temporal distribution, impact of tourism on economic, social, cultural and environmental development in Goa based on reports and researches done elsewhere. Secondary data sources were helpful in formulating the base for
calculation of Keynesian income and Kahn's employment multiplier co-efficients for assessing benefits accrued to local people on account of tourism development. However there exists paucity of required data for some period.

To get real time data, the primary data collection was beneficial and effective. A semi-structured questionnaire was prepared and applied to selected tourist destinations i.e. Palolem, Benaulim, Colva Calangute, Anjuna, Baga and Ponda in order to calculate income and employment multiplier coefficients by using simple mathematical and statistical techniques such as combined arithmetic mean, standard deviation, co-efficient of variation, Newton-Gregory backward interpolation method, co-efficient of correlation.

Three hundred (300) domestic and hundred (100) foreign tourists, 1565 employees working in various establishments such as hotels, lodges, guesthouses, restaurants, and other business establishments across the study areas and 210 employers/managers/owners were incorporated. In addition to that hundred (100) local residents were also administered structured questionnaire for obtaining their views on state of tourism in Goa. Wherever necessary, the data is represented with the help of suitable diagrams like bar diagram, pie chart, tables, etc. Talking to tourists, Government Officials, locals, environmentalists, hotel owners, academicians helped in great deal to get first hand information related to the research topic. This also helped to bridge the gap to a greater extent due to paucity of data.

In research work, simple and effective statistical tools are used for processing the data and appropriate graphs are used to present the primary and secondary data. Both qualitative and simple quantitative techniques are employed in the study. Maps and photographs have been inserted to make the work more presentable and effective.
Relevance and Scope of Study

No research is complete in itself; it is just a beginning. The present study is both theoretical and empirical as well as inter-disciplinary in nature. Therefore, this will not only add to the subject matter of Economics, but to other sciences and social sciences such as, Sociology, Demography, Management, Statistics, Geography, Environmental Science, History and so on. This research, a holistic approach on overall Goa’s tourism development, and as a tool for economic growth, is first of its kind and as such it will ignite many potential researchers to undertake many more micro level research at a later stage. Presently, micro level studies are gaining their due importance as they give fine grained size analysis and enable the researchers to draw better picture. From this viewpoint, the present study can serve a firm base for further research.

The study areas are selectively chosen, where, on the one hand, tourism has already developed right from the beginning; the places like Benaulim, Colva, Calangute, Baga, and Anjuna represent a heightened beach tourism activities, while Palolem represents an upcoming beach tourist destination, yet to develop to its full potential.

On the other hand, the place like Ponda, located in the hinterland, represents tourism of a different nature. This study will be helpful in analyzing and comparing the level of economic development on account of tourism.

Limitations

Any serious and authentic research work encounters certain limitation and this research is not an exception. The limitations of this research are as follows:

a) As the study is based on secondary data, non-availability of data for some period forms a limitation, as it could not be gathered from any sources.
b) Most of the star category hotels, posh restaurants and lodges did not entertain and accept questionnaire on the ground that prior permission was necessary from the top management.

c) A large number of Indian and some foreign tourists did not respond to the questionnaire and some the responses of the tourists were very casual. As a result, there may be some errors while tabulating the data for the purpose of calculations.

d) Some of the local businessmen and residents were non-cooperative while disseminating information as they suspected ill motive behind this exercise.

Thesis Layout

The different chapters of these are organized so as to have consistency and continuity from chapter to chapter. There are in all seven chapters. The synoptic content of each chapter is as follows:

- Chapter I deals with introduction, the review of literatures so as to form hypotheses to be proved by means of secondary and primary data, basic concept of tourism, such as leisure, recreation, meaning and various definitions of tourism, types of tourism, inter-relationship between leisure, recreation and tourism, objectives of the study. Economic components of tourism in terms of its cost-benefit analysis, of income and employment generation, taxes to the government, foreign exchange earning, conservation and need for protecting the tourist resources, contribution to local economies and so on of a region have been discussed, followed by relevance of the study, data base and methodology and limitations.
• Chapter II pertains to the physical background of the region, i.e. Goa. The physical factors like geographical location, weather and climatic conditions; flora and fauna, beaches etc. are analyzed, over a period of time. The demographic factors such as decadal growth of population, density of population, taluk-wise distribution of population, urban-rural composition of population, literacy rate etc. has been projected. Occupational pattern and cultural aspects of the people of Goa has been projected for a better understanding of the readers with special reference to fine arts, religion, various places of tourist importance, churches, temples, festivals, fairs etc.

• Chapter III pertains to the understanding of general growth of tourism over the years, taking into account seasonal variations that are brought to light by the month wise arrivals of the tourists. It also highlights taluk-wise tourist resources, types of tourism and its scope in Goa for further development, tourist arrivals from pre 1961 period till the present time, the spatial distribution of tourist arrivals in the study area, analysis of primary survey of tourist arrivals in study area, their stay, expenditure pattern and tourist facilities in the study area.

• Chapter IV is exclusively devoted to economic analysis of benefits accruing in terms of employment elasticity coefficient, employment generation through calculation of employment multiplier coefficient, followed by income generation and income multiplier coefficient based on primary data collected in the study areas by using statistical and mathematical tools.

• Chapter V is devoted to the analysis of existing tourist resources and supportive infrastructure. The chapter makes a detailed assessment of infrastructure presently existing and whether it is in a position to support the
ever-increasing growth of tourists. In addition to that, new tourist resources have been listed.

- Chapter VI assessed the quality and extent of environmental degradation caused by tourism in terms of different types of pollution and social changes. It also suggested sustainable development so as to minimize the environmental damages and help cultivate eco-friendly tourism in the State for overall development.

- Chapter VII concluded with necessary suggestions and recommendations based on the research work done in the form of findings.
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