CHAPTER VI

TOURISM PLANNING AND DEVELOPMENT

"Travelling is almost like talking with men of other centuries."

Rene Descartes.
Figure 4-1  Factors governing tourism's economic impacts

- Degree of foreign ownership
- Degree to which destination is adjusted to seasonality of demand
- Degree of recirculation of tourist expenditures
- Size of economic base of destination area
- Government involvement in providing infrastructure and incentives
- Nature of the tourist facilities and their attractiveness
- Employment of foreigners in senior tourism jobs
- Volume and intensity of tourist expenditures
- Economic development of destination area
- Magnitude of tourism's economic impact
The share of tourism in national economies and in international trade represents a significant factor in world development. It's consistent major role in the national economic activity in international transactions and in securing balance of payment equilibrium makes it one of the main activities of world economy.\(^1\)

Basically there are three ways of increasing the wealth and happiness of a country viz., the development of the agricultural front, progress in the industrial sphere and development in the tourist field.\(^2\)

The economic role of tourism needs to be emphasised in order to make international organisations and business circles tourist conscious. It is the economic significance that accounts for the interest shown in tourism.\(^3\)

Tourism as an economic activity, is well-placed to contribute to the process of development. In the present economic situation, tourism, the most important service industry, could play a prominent role in improving


Tourism: i) generates foreign exchange earnings;
ii) creates and redistributes income (Direct and indirect)
iii) Creates employment, specially youth employment;
iv) Promotes economic diversification and regional development, and
v) Increases State Revenues.

1) FOREIGN EXCHANGE:

The major economic benefit of promoting the tourism industry is for its receipts in the form of foreign exchange, contributing to the National income as an invisible export. Balance of Trade and Foreign Exchange is one of the major problems of the developing nations. These nations are unable to produce goods and articles locally due to absence of industrial or technological base, therefore resort to import from other nations for which payment is to be made in foreign exchange and the balance of payment problem arises.4 The receipts from the international tourism accrued can therefore be utilised for its payment. Many developing countries particularly small countries, which are mainly dependent upon primary products such as...

cash crops find it difficult to meet their claims of development and progress, can depend on tourism for earning foreign currency. International tourism receipts are in the form of consumption expenditures and cover payment for goods and services made available by foreign currency sources. International tourism receipts are regarded as "Travel Credits" while international tourism expenditures are shown as "Travel Debts." 

According to Dr. Karan Singh, "If tourism can be creatively exploited, then a great deal of foreign exchange can flow in without really having to export anything. It is the most painless manner of earning foreign exchange because you do not have to export, you do not have to sell your oil or your scarce resources. You can simply develop your infrastructure and you can thereby earn vast quantities of foreign exchange which in turn can be used to strengthen the economic development of the nation concerned." 

Tourism has become a leading foreign exchange earner in a number of developing countries. Many 

6. Ibid.
countries between 1960 and 1968, earned more than 20 per cent of the value of merchandise export, while exports from developing countries other than oil exports rose by 7.6 per cent a year. While the receipts from tourism increased at an annual rate of 11 per cent.  

Already the number of world trotters' is growing fast. In 1987, according to the latest World Tourism Organisation estimates, all time high 355 million international tourist arrivals were recorded world-wide. In the same year, International tourist receipts accounted to as much as 150 billion US dollars, or more than 5 per cent of the total world exports representing not less than 25 per cent world trade in services. Tourism is now ranked by UNCTAD as the world's third largest export industry. Spending on domestic and international travel together now contributes to 12 per cent of world gross national product, near to 2000 billion US dollars.  

India has made good progress in the development of both international and domestic tourist travel, particularly in recent years. In 1986, she reached the so-called  


"magic million" in tourist arrivals and is striving for the projected two-million mark by the end of the century.9

India's tourism industry at its current rate of growth will generate enough foreign exchange to wipe out the entire impact of the non-resident deposits being withdrawn and the IMF loans being paid back at its current rate of growth.10

The following table explains India's Foreign Exchange earnings from tourism for the period 1981-82 to 1988-89.

Table 4.1
FOREIGN EXCHANGE EARNINGS FROM TOURISM IN INDIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourism earnings</th>
<th>Percentage Annual change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimates (H. crores)</td>
<td></td>
</tr>
<tr>
<td>1981-82</td>
<td>1063.9</td>
<td></td>
</tr>
<tr>
<td>1982-83</td>
<td>1130.6</td>
<td>6.3</td>
</tr>
<tr>
<td>1983-84</td>
<td>1225.0</td>
<td>8.3</td>
</tr>
<tr>
<td>1984-85</td>
<td>1300.0</td>
<td>6.1</td>
</tr>
<tr>
<td>1985-86</td>
<td>1460.0</td>
<td>12.3</td>
</tr>
<tr>
<td>1986-87</td>
<td>1780.0</td>
<td>21.9</td>
</tr>
<tr>
<td>1987-88</td>
<td>1890.0</td>
<td>6.2</td>
</tr>
<tr>
<td>1988-89</td>
<td>2103.0 (P)</td>
<td>11.3</td>
</tr>
</tbody>
</table>

(P) Provisional

Source: Government of India, Department of Tourism, New Delhi, March, 1989.

9. Ibid.

According to the projections made by Department of Tourism, Government of India, New Delhi, the tourism earnings estimated for 1995 would be Rs.3,000 crores and by 2000 A.D it is likely to touch a minimum of Rs.4000 crores at 1986-87 prices.  

However estimates on foreign exchange earnings from tourism by Department of Tourism shows variation from the estimates of the Reserve Bank of India. Due to non-availability of up-to-date statistics from Reserve Bank of India source, the researcher has collected statistical data of the Department of Tourism, Government of India.

The following table 4.2 explains foreign exchange earnings from tourism in comparison with the merchandise exports and total invisible earnings in India.

Table 4.2

FOREIGN EXCHANGE EARNINGS THROUGH MERCHANDISE EXPORT, INVISIBLE AND TOURISM

<table>
<thead>
<tr>
<th>Year</th>
<th>Merchandise invisible exports (m.crores)</th>
<th>Total tourism earnings (m.crores)</th>
<th>Percentage ratio of tourism earnings to Merchandise exports</th>
<th>Percentage ratio of tourism earnings to invisible earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1,403</td>
<td>333.6</td>
<td>27.9</td>
<td>2.0</td>
</tr>
<tr>
<td>1980</td>
<td>6,576</td>
<td>5,326.7</td>
<td>1,165.6</td>
<td>17.7</td>
</tr>
<tr>
<td>1981</td>
<td>7,765</td>
<td>5,310.5</td>
<td>1,063.0</td>
<td>13.7</td>
</tr>
<tr>
<td>1982</td>
<td>9,137</td>
<td>5,651.7</td>
<td>1,130.0</td>
<td>12.4</td>
</tr>
<tr>
<td>1983</td>
<td>10,168</td>
<td>6,432.1</td>
<td>1,075.1</td>
<td>10.6</td>
</tr>
<tr>
<td>1984</td>
<td>11,959</td>
<td>7,635.8</td>
<td>1,225.0</td>
<td>10.2</td>
</tr>
<tr>
<td>1985</td>
<td>11,577</td>
<td>7,875.2</td>
<td>1,460.0</td>
<td>12.6</td>
</tr>
<tr>
<td>1986</td>
<td>13,315</td>
<td>8,274.4</td>
<td>1,780.0</td>
<td>13.4</td>
</tr>
<tr>
<td>1987</td>
<td>16,719</td>
<td>10,000.0(P)</td>
<td>1,890.0</td>
<td>11.3</td>
</tr>
</tbody>
</table>

* Estimates as mentioned by the Ministry of Tourism

Note: 1. All other estimates from Economic Survey 1987-88 by Ministry of finance.

2. Invisible earnings include foreign exchange receipts from tourism, transportation, insurance, interest and service payments, transfer payments, etc.

(P) Provisional

Source: Government of India, Department of Tourism, New Delhi, March 1989.
From a mere human interest activity with a sort of just fringe benefit to the economy, tourism has already emerged as our premier source of foreign exchange earnings. The earnings during 1987-88 were Rs. 1,890 crores making tourism the highest net-foreign exchange earner in the country. This was about 11.3 per cent of the total merchandise export during that year. As compared to individual group of items of merchandise exports, the foreign exchange earnings from tourism was next only to gross earnings from gem and jewellery export. The foreign exchange expenditure on account of imports in the case of tourism is, however, comparatively negligible and does not exceed 7 per cent. In the case of gem and jewellery the corresponding ratio is about 76 per cent. In terms of net foreign exchange earnings, tourism is on the top of all export industries. The percentage of imports in respect of top three industries are given in the table 4.3.


13. Ibid.
Table 4.3
FOREIGN EXCHANGE EARNINGS - TOP THREE INDUSTRIES (1987-88)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Industry</th>
<th>Gross Foreign exchange earnings (Rs. crores)</th>
<th>Percentage of Import</th>
<th>Net Foreign exchange earnings (Rs. crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gems and Jewellery</td>
<td>2613.5</td>
<td>76</td>
<td>627</td>
</tr>
<tr>
<td>2.</td>
<td>Tourism</td>
<td>1890.0</td>
<td>7</td>
<td>1758</td>
</tr>
<tr>
<td>3.</td>
<td>Readymade Garments</td>
<td>1790.8</td>
<td>24</td>
<td>1361</td>
</tr>
</tbody>
</table>

Source: Government of India, Department of Tourism, New Delhi, 1989.

According to a recent study conducted by the State Bank of India, foreign travel receipts have constituted around 40 per cent of the invisibles in the current account of the balance of payment of the country during the present decade. The surplus invisibles by themselves are not sufficient to cover the trade deficit; the current account deficit has increased from Rs.22.2 billion in 1980-81 to 64.6 billion in 1985-86. 14

Foreign travel receipts constitute around 40 per cent of invisibles and with the remittance from abroad tapering off, the vast potential of tourism could be used partly to meet

the question of balance of payment. Adoption of aggressive but judicious policies can make tourism industry a major economic avenue contributing significantly to country's gross domestic product.

In a labour surplus and resource poor economy like that of Goa where the possibilities of development of other sectors are relatively limited, tourism with its remarkable and enormous potential for its development, requiring no additional supply of scarce and specific factors of Production to any large extent, can place the state in a better position on the economic map of the country.

The table No. 4.4 shows the estimated foreign exchange earnings of Goa for the year 1986, 1987 and 1988.

### Table 4.4

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of foreign tourist visited</th>
<th>Average expenditure per day per person</th>
<th>Estimated earnings (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>97,533</td>
<td>3,660</td>
<td>35.68</td>
</tr>
<tr>
<td>1987</td>
<td>94,460</td>
<td>4,067</td>
<td>38.39</td>
</tr>
<tr>
<td>1988</td>
<td>81,777</td>
<td>4,281</td>
<td>34.97</td>
</tr>
</tbody>
</table>

Source: Field Survey.
The above estimation is arrived at by applying the variation in the wholesale Index price of India at 5 per cent and 10 per cent taking the base year as 1988. The estimation is made assuming that the number of days stay of the foreign tourist remain same as the base year. Average per capita expenditure arrived is on the basis of Table No. 4.5.

II. CREATION AND REDISTRIBUTION OF INCOME:

The role of tourism industry in the economy can be judged by calculating the contribution made by the tourist receipts to the National Income, Employment generated and tax revenue accrued to that economy. It is, however, difficult to estimate since most of the countries lack accurate information specially on domestic tourism receipts. In addition to the paucity of data, another difficulty is the 'multiplier' effect through which indirect income is generated. Therefore many countries assess the national income created by tourism by examining the visitor receipts from international tourists.

International tourism has contributed 25 per cent of the national income of Barbados. In Ireland, Austria, Mexico, Jamaica and Spain, more than 5 per cent of the

national income is earned through foreign tourism. In India tourism industry constitutes 2.20 per cent of net National product during 1984-85 and of this 1.95 per cent was contributed by domestic tourist.

Direct Income from Tourism:

Tourism is a multisegment industry consisting of

Most of these segments provide services to both tourists and non-tourists, though a definite allocation of the same between the two classes of consumers is not possible.

Direct income generated by tourism in Goa (1988)

For the calculation of income generated through tourism the main factors considered are the number of tourists who visited Goa for the year (Domestic and foreign), the duration of their stay, and pattern of their expenditure during their stay in Goa.

The table number 4.5 explains the itemwise break up


of the expenditure per day per tourist in Goa during the sample period.

Table 4.5
ITEMWISE BREAK DOWN OF PER CAPITA PER DAY EXPENDITURE OF TOURISTS

<table>
<thead>
<tr>
<th>Expenditure items</th>
<th>Foreign</th>
<th>Indian</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Average</td>
</tr>
<tr>
<td></td>
<td>Rs.</td>
<td>Percentage</td>
</tr>
<tr>
<td>Accommodation</td>
<td>121.92</td>
<td>40.38</td>
</tr>
<tr>
<td>Food and Beverages</td>
<td>109.62</td>
<td>36.32</td>
</tr>
<tr>
<td>Internal Transport</td>
<td>30.08</td>
<td>9.96</td>
</tr>
<tr>
<td>Entertainment</td>
<td>8.94</td>
<td>2.96</td>
</tr>
<tr>
<td>Shopping and other expenses</td>
<td>31.35</td>
<td>10.38</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>301.91</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Note: i) Number of tourists responded Foreign 260/300 and Indian 280/300

ii) Average number of days stay by a foreign tourist 14.18 days and Indian tourist is 4.73 days

Source: Field Survey.

The individual items wise breakdown of expenditure is shown on table numbers 4.8, 4.9, 4.11, 4.13 and 4.16.
For the calculation of the total direct income through tourism in the state, the following formula has been used.

Income through tourism at current prices in the reference year = \( \text{Per capita expenditure by the tourist} \times \text{No. of tourists who visited the State at current price in the reference year} \)

Symbolically

\[ \text{ITT} = \text{PCE} \times \text{N} \]

Per capita expenditure by the tourist (PCE) has been calculated by using the following formula.

\[ \text{Per capita expenditure by a tourist} = \frac{\text{Per day expenditure by a tourist} \times \text{Average stay by a tourist}}{\text{days of a tourist in the State}} \]

Symbolically

\[ \text{PCE} = \frac{\text{EXD}}{\text{ADT}} \]

A foreign tourist's spending as per the table 4.5 is Rs. 301.91 per day towards his accommodation, food and beverages, internal transport, entertainment and shopping. With his average duration of stay as 14.18 days, which means he spends Rs. 4,281.08 \((301.91 \times 14.18)\) during his stay. During 1988, 81,777 foreign tourist visited Goa. Therefore the Government of Goa's income from foreign tourist would be Rs. 35.00 crores \((4,281 \times 81,777)\). Similarly with an average stay of 4.73 days,
an Indian tourist spent ₹937.72 (198.25 x 4.73) during their stay. During the year 1988, 6,77,535 Indian tourist visited Goa. It would have generated therefore ₹63.53 crores (937.72 x 677.535).

The total direct income generated by tourism therefore amounted to ₹98.53 crores (35.00 + 63.53).

On the assumption of 40 per cent of the share of value added component, the contribution of tourism to Goa's economy (State income) can be placed roughly at ₹39.41 crores.

On the basis of net State domestic product (current price) for 1986-87 as ₹641 crores, the percentage works out to 6.15 per cent (\(\frac{39.41}{641} \times 100\))

The income from tourism Goa stands high in comparison with the Central gain in this respect; Goa's is 6.15 per cent whereas the centre's is 0.75 per cent.

**Indirect Income Generation:**

The flow of money generated by tourist does not stop moving after he spends it's spending multiplies as it down:


passes through various sections of the economy through the operations of the 'multiplier' effect. The more it remains in the economy and faster it is re-spent, the greater will be the ultimate impact on the economy. The multiplier theory emerges from the work of Kahn and Keynes during 1936 and the well known economist Paul A. Samuelson enunciated this multiplier theory in 1939. The actual word 'multiplier' expresses the numerical co-efficient showing the actual change in income brought about by some change in input or investment. It is the number by which a change in input must be multiplied in order to determine the resulting change in income not excluding the turnover of initial expenditure. Suppose a tourist visits an area 'X' he spends Rs.1,000/- in hotels and amenities there. This is received as income by hoteliers and amenity owners. These receivers then pay tax, save some of their income and spend the rest. Some amount what they spend goes to buy items imported into area 'X' but the rest goes to shopkeepers, suppliers and other producers inside area 'X'. These, in turn, pay taxes, save and spend.

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21. Ibid.
Suppose the average tax rate is 20 per cent, and people save, on average 10 per cent of their gross income and spend 70 per cent on consumption or imports. The Rs. 1,000 spent by tourist will then circulate as shown in Fig. 4.1.

Fig. 4.1
TOURISM INCOME MULTIPLIER WORK

Money gets circulated as hoteliers spend on local supplies such as food, suppliers pay their workers who in turn shop at other shops with the money they earn and so the cycle goes on. Some money, not being circulated goes to pay tax or spent on imports. These are called
"leakages" from the system. At each round of spending, the particular recipients income increases. If the increases in income are summed up for all rounds of re-spending (K.1,000 + K.500 + K.250 + K.125) the income of the host region will be on the increase by more than the original tourist expenditure.

According to a report sponsored by PAT (Pacific Area Travel) and US (United States) Department of Commerce and Research, there is indicative evidence that it takes 13 to 14 transactions before the money "disappears" or ceases to have a further impact on the economy. Of these 5 to 6 transactions take place during the first 12 months only.

It is possible to forecast the value of the multiplier if one knows the proportion of leakages in the economy. For example, if tax is 20 per cent of original income, savings are 10 per cent of income and imports are 20 per cent of income, total leakages therefore amount to 50 per cent or a half of the original income. The multiplier can be found by applying simple formula:

\[ \text{Multiplier} = \frac{1}{\text{Proportion of Leakages}}. \]

In the above example multiplier is \(2 \frac{1}{50/100}\).

Therefore, total income generated (K.1,000 x 2) = K.2,000/-.
So in an economy with a high proportion of leakages such as high tax rates (although the Government re-spends this money in the economy) or high import levels, Tourism Income Multiplier (TIM) is rather low and tourism does not stimulate the local economy very much. On the other hand with a low proportion of leakages, TIM will be high and tourism may in total contribute a great deal more income than that originally spent by the tourists themselves. In many countries, TIM various from 1 to 2½ times. The Indian Institute of Public opinion, working on estimates for All India, estimated, that with an import component of 14 per cent suitable for All India System the Keynesian multiplier would be about 2.22

In the case of Goa, many of the inputs of hotel industry come from outside Goa State. It results in higher percentage of leakage. With an assumption of 30 per cent leakage in addition to all India leakage figure 30 per cent the multiplier works out to 1.17.23 Taking tourist income generated in Goa as Rs.98.53 crores, the indirect income generated would be Rs.115.28 crores (98.53 x 1.17).

The gross income generated by tourism is presented

23. Ibid.
Table 4.6
GROSS INCOME GENERATED BY TOURISM IN GOA DURING 1983
(m, in crores)

<table>
<thead>
<tr>
<th>Tourists</th>
<th>Direct income (multiplier co-efficient 1.17)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>35.00</td>
<td>40.95</td>
</tr>
<tr>
<td>Indian</td>
<td>63.53</td>
<td>74.33</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98.53</td>
<td>115.28</td>
</tr>
</tbody>
</table>

Source: Field Survey

Note: The table number 4.6 depicts that direct income generated from Indian and foreign tourist amount to 63.53 crores and 35 crores respectively whereas income generated indirectly by applying multiplier co-efficient as 1.17 amounts to 74.33 crores. Indian and 40.95 crores by foreign tourist. Hence the total gross income generated in Goa amounts to 213.81 crores.

EMPLOYMENT:
The problem of unemployment and under employment are more acute in the developing countries. Tourism a tertiary economic activity. A service industry has a tremendous potential for generating direct and indirect employment to the vast unemployed. The problems which the industrialised countries face in recruiting manpower for the tourist industry confirm that in any productive process, consisting of
services, human labour remains the basic need. None of the technological progress achieved has succeeded in rendering the human factor less indispensable. Particularly in this sector, this holds true indisputably when compared with other productive sectors.  

Recent developments in technology have tended to reduce labour requirements in tourism generating areas. For example, computer-reservation system has reduced the need for booking clerks, tour operators, airline and group hotel owners. In destination, however as the nature of the industry requires a high degree of personnel service, jobs have been lost inspiring technological changes.

Employment creation to mitigate the unemployment generally prevailing in developing countries is desirable from the economic as well as social point of view.

It is a social item contributing to the process of levelling the existing income disparity. According to Tinbergen, the only way to arrive at a socially more acceptable situation is for the developing countries to create as much employment as possible.  

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impact of the tourist industry is well-known, for it has repercussions in every other national economic sector through the multiplier effect, which is particularly marked in those services that are complementary to the tourist accommodation industry. The multiplier which works for income also does the same for employment. If tourist stays at destination, jobs are directly created in the tourism industry there. These workers and their families catering to the tourist who stand in need of goods, services, education and so on, thus giving rise to further indirectly created employment in shops, public schools, hospitals etc. The value of the employment multiplier is likely to be similar to that of the Tourism Income Multiplier (TIM), assuming that jobs with average wage rates are created.\textsuperscript{27}

The tourist industry is a highly labour-intensive service industry and hence is a valuable source of employment (direct and indirect) for the unskilled as well as to the highly specialised. It is estimated that the room to staff ratio for a hotel varies between 1:1.5 to 1:1.3.\textsuperscript{28}

\textsuperscript{27} Dr. Jost Krippendorf Berne (Switzerland) costs and benefit of Tourism towards new policies in developing countries, at WTO Seminar, New Delhi, Oct. 1983.

\textsuperscript{28} Negi Jag Mohan, Op.cit.,
In addition to those that are involved in management, there are a large number of specialist-personnel required to work as accountants, house-keepers, waiters, cooks, entertainers, semi-skilled workers such as porters, chamber maids, kitchen staff, gardeners etc. Tourism also provide employment to outside the industry to those who supply goods and services to tourism (indirectly). Construction of industry is another source of employment, the basic infrastructure being roads, airports, water supply and other public utilities, construction of hotels etc.

Tourism also brings employment into less developed areas where tourist attractions and associated activities like handicrafts can provide a source of badly needed employment and help to mitigate regional disequilibrium eg. Khajuraho. 29

As per the economic census of 1980, 30 the total employment in hotel and restaurant sector in India during that year was about 2 million. This estimate, however, varies with the estimate of 'main worker' in the hotel and restaurant sector as given by census of India 1981. The census estimate gives the employment figure in the

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sector as 15,83,160. Tourism however, does not confine only to Hotels and Restaurants. It is a multisegment industry consisting of hotels and restaurants, travel resorts, amusement parks, entertainment houses, sales outlets of curios, handicrafts and jewellery, guide services etc. Most of these segments provide services to both tourists and non-tourists, though a definite allocation between the two classes of consumers is not possible. However, a study commissioned by the Department during 1987 has estimated the total direct employment in the tourism sector as 4 million during 1984-85. The indirect employment on account of tourism is also estimated to be over 6.6 million. The Indian Institute of Public Opinion estimated it as 5 million people, during 1986-87. On the basis of growth in tourist traffic and additional value added to the economy, the estimated total employment in the sector during 1988-89 is likely to be about 5.5 million and employment by the end of 7th plan in the tourism sector is projected as 8 million.

Tourism being a highly labour intensive industry as compared to any other industry - the cost of creating a job in tourism industry is less than other industries. 32

31. Ibid.
According to experts, an investment of £ 1,000/- in tourism industry generates 4.35 jobs as compared to 1.90 in other industries. Statistics also reveals that out of every ₹ 100 spent on accommodation, 72 per cent go to wages and salaries and the later also accounts for 55.3 per cent of every ₹ 100/- spent on food. In India, tourism industry accounts for 3 per cent of the total labour force whereas its contribution to National Income is 2 per cent.33

Another interesting fact to be noted is that tourism creates one employment position against 24 positions created by agriculture and 7 positions created by manufacturing industries. But on the other hand public sector investment during the 7th plan period is 122 times higher in the case of manufacturing industries as compared to tourism. Tourism has thus absorbed more labour force compared to its total development allocations which were insignificant compared to other sectors.34

Between 1981-1986 the service and information sector of the economy generated 10 times as many new jobs as manufacturing in 1985 while the service and information sectors maintained these share of over 70 per cent of the new jobs

generated, there was actually a drop in the total employment in the manufacturing sector. 35

In short, in addition to being the largest foreign exchange earner and promoter of goodwill, tourism is now poised to become the single largest generator of direct and indirect employment.

As per the Economic Census 1980, the total employment in hotel and restaurant sector in Goa was 9,238 i.e., from 24_14 establishments. Similarly in the transport sector (of which tourism also is a part), there were 5,604 workers from 2,415 establishments.

As per the information gathered from the Government of Goa, Directorate of Tourism, there are 425 hotels including paying guest accommodation (147) with 12,484 beds (585 paying guest) as on 31st March 1989. According to Dr. Jagmohan and Negi, 36 the hotel room staff ratio varies between 1.5 to 1.13 as regards direct employment in hotels.

With such a base, in the absence of data regarding the number of rooms available, it is assumed and established by personal observation that one room consists, on average

2 beds. So the total direct employment generated from the accommodation sector alone would be 9,363 persons and an equal number of employment would have been created by the restaurant sector also. Therefore, the total employment generated from hotel and restaurant sector would be 18,726.

The transport sector also contribute directly to the tourism employment. The total employment that could be generated by the transport sector is arrived in the following manner:

Table 4.7

ESTIMATED EMPLOYMENT IN THE TRANSPORT SECTOR

<table>
<thead>
<tr>
<th>Mode of transport</th>
<th>Nos. as on 31-3-88</th>
<th>Proportion of employment</th>
<th>Employment generated (Nos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor cycle for hire</td>
<td>2,418</td>
<td>1:1</td>
<td>2,418</td>
</tr>
<tr>
<td>Auto rickshaws</td>
<td>911</td>
<td>1:1</td>
<td>911</td>
</tr>
<tr>
<td>Taxis</td>
<td>1,883</td>
<td>1:2</td>
<td>3,766</td>
</tr>
<tr>
<td>Buses and Mini buses</td>
<td>1,601</td>
<td>1:5</td>
<td>8,005</td>
</tr>
<tr>
<td>Goods vehicle</td>
<td>11,356</td>
<td>1:5</td>
<td>56,780</td>
</tr>
</tbody>
</table>

TOTAL: 71,880

Source: Field Survey.
The estimated employment through transport sector would be 71,880. Since the tourist population is almost equal to the local population, it is assumed that the employment generated in the transport sector may be half of the above figure which would be 35,940 persons.

In short, the direct employment from hotel and restaurant sector, along with transport sector in Goa, would be 54,666 persons. Though there are other sectors contributing directly to tourism, since no estimation could be made without a base, it has been placed under indirect contributing factor. As many of the inputs are made available from outside the state the multiplier effect for Goa towards employment generation is assumed only 0.5 percent. Therefore the total indirect employment that could be generated by tourism sector comes to around 82,000 persons.

IV. IMPACT OF TOURISM ON REGIONAL DEVELOPMENT AND DISTRIBUTION OF INCOME:

The United Nations Conference on International Travel and Tourism held in Rome in 1963 noted that tourism was important not only as a source of foreign exchange, but also as a factor in the location of industry and in the development of less-developed regions. It further stated that in some cases, the development of tourism may be the only means
of promoting the economic advancement of less-developed areas lacking in other resources. 37

When a tourist earns income in one region and spends it in another for travel purposes, a re-distribution of wealth takes place. Income "leaks" out of the origin area is "injected" into the destination area. The tremendous disparity in income levels of different countries has in the past quarter century been a major concern to economists and other social scientists; transfer of wealth through aid programme was considered a good means. But this direct aid has the drawback that the donor's get nothing in return except the feeling of having done a 'good deed'. Transfer through tourism takes place in a rather pleasant manner. The tourist is enriched by the travel experience and is able to gain a first hand knowledge of the culture and problem of the host-population.

The host population on the other hand feels more comfortable with such a transfer since it is not a hand-out, they have shared their cultural and other resources with the tourist. Thus, the transfer takes place in a congenial, harmonious and mutually beneficial manner.

Tourism fulfills two needs, simultaneously offering the working masses of the urbanised and industrialised societies a taste of the simple out-door life during their holidays, and offering peripheral regions, by the same token, the opportunity of entering the nexus of foreign trade thereby diminishing the gap between them and the wealthier societies.  

Tourism often establishes itself in economically poor regions with which the exception of agriculture, do not have other possibilities for economic development. Tourism, therefore, can make a positive contribution to the development of the region and hence has an equalisation effect.

The underdeveloped regions of the country can greatly be benefited from tourism development. Many of the economically backward regions contain areas of high scenic beauty and cultural attraction. Exploitation of such rural areas and less developed interiors through schemes such as outdoor treks, beach, hill and mountain...


resorts for tourism can bring prosperity to the local people and much needed development of such area. Such an involvement will have a constructive effect on redistributing the earnings from tourism and redressing regional imbalances in employment and income.

The development of Khajuraho in Madhya Pradesh, Kovalam in Kerala, and Gulmarg in Jammu and Kashmir is the positive evidence for the contribution of tourism in the development of backward areas in the country.\(^40\) Till a few years ago, all of them were relatively unknown villages, sleeping in far-off places with almost negligible economic activities and inhabited by traditional rural folk. These places are now frequented by thousands of tourists, both domestic and foreign, contributing substantially to the economy of the region. Many sprawling structures and infrastructural systems have come up in these places and have set in the process of urbanisation. Tourism industries like clay model industry, (temple sculptures) shops dealing with presentation items, handlooms, handicrafts, construction works etc., which have come up in these areas have also absorbed a good percentage of local labour force. Many more are employed in tourism-

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related activities, trade and other ancillary industries. This has helped in furthering the economic and social justice through equitable dispersal of economic benefits.

The process of capitalisation of national economic resources for the development of rural and backward areas is well described in a paper by Dr. M. J. R. Khan, consultant, ESCAP. Here is the relevant extracts reproduced below:

"Tourists normally seek out areas in the interior of the country for reasons of purity of environment, privacy, scenic beauty and its outdoor appeal. These national resources would otherwise be under-utilised, since unlike other resources such as labour and capital, there are few competing claims for their use. Tourism thus offers itself as a way of economically utilising resources which would otherwise remain either idle or under-utilised, but attract the attention of visiting tourists and, in the process, generate substantial earnings. This applies specially to natural scenic resources possessing grandeur, beauty, solitude as especially unique tourist attractions. The Taj Mahal in India, Mount Fiji in Japan, the Niagara Falls in Canada and the U.S.A. and the Huzza Valley in Pakistan are all tourist attractions which have brought millions of dollars, to their countries. Since, in most of these cases, they do not require a great deal of expenditure for their upkeep and maintenance upto the standards required
by international tourism, it means that they constitute very significant revenue earning assets by themselves in that time and use do not diminish or depreciate their value in any manner. In many cases, specially, in the case of touristic antiquities, their value actually appreciate with the passage of time. All that is required, then, to enable them to continue as money earners to tourism is to effectively project them as important destinations and landmarks for tourists from other countries who make it a point to visit celebrated spots in destination countries as "musts" on their itineraries. The compulsion to so is far stronger in their case than with the local tourists, many among them who do not even get to visit their national landmarks and attractions, as they do not find themselves under the same compulsion as the foreigner who, for obvious reasons, must see practically everything of value, on a single trip for fear that he might not be able to afford another for lack of financial means or time. 41

The observations of Dr. K. J. R. Khan, are particularly true of India as many of the tourist destinations, popular with the foreign tourists, are located in rural and semi-

urban areas. As per the "Foreign Tourist Survey" held recently there were 59 destinations in the country in which a minimum of 0.50 per cent of the foreign tourists spent at least a night. More than 50 per cent of these destinations were away from cities and in relatively underdeveloped areas. 42

Tourism ranks as the second major economic activity next to mining industry. Mining industry which was the backbone of the economy is on the decline and almost coming to an end. At present the State neither have enough large scale industries nor opting for it to protect the ecology and the environment from the pollution which it is likely to cause. The State Government envisages development are Small Scale Industries but many of the units are facing raw-material and marketing problems.

Goa being popular for its natural scenic beauty with over 100 Km. stretch. Coastal belt has already established as a favourite haunt for beach-revellers. The state has declared tourism as an industry and many tourism related industries like hotels, restaurants, travel agencies, handicrafts etc. have been developed on a large scale generating employment opportunities to its rural population.

The contribution of tourism also helped to revive many of its handicrafts industry and helped the rural population to enjoy its direct benefits.

The impact of tourism, on the development of hotels and restaurants, transport, entertainment and shopping sector are shown in table forms with the tourist expenditure per day per person on the above items.
### Table 4.8

TOURISTS EXPENDITURE PER DAY PER PERSON ON ACCOMMODATION

<table>
<thead>
<tr>
<th>Tariff in Rs.</th>
<th>Mid point of class</th>
<th>No. of persons</th>
<th>fx (Rs.)</th>
<th>(f)</th>
<th>fx (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-100</td>
<td>170</td>
<td>50</td>
<td>8,500</td>
<td>226</td>
<td>11,300</td>
</tr>
<tr>
<td>100-200</td>
<td>50</td>
<td>150</td>
<td>7,500</td>
<td>40</td>
<td>6,000</td>
</tr>
<tr>
<td>200-300</td>
<td>14</td>
<td>250</td>
<td>3,500</td>
<td>6</td>
<td>1,500</td>
</tr>
<tr>
<td>300-400</td>
<td>9</td>
<td>350</td>
<td>3,150</td>
<td>3</td>
<td>1,050</td>
</tr>
<tr>
<td>400-500</td>
<td>9</td>
<td>450</td>
<td>4,050</td>
<td>3</td>
<td>1,350</td>
</tr>
<tr>
<td>500-600</td>
<td>3</td>
<td>550</td>
<td>1,650</td>
<td>2</td>
<td>1,100</td>
</tr>
<tr>
<td>600-700</td>
<td>4</td>
<td>650</td>
<td>2,600</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>700-800</td>
<td>1</td>
<td>750</td>
<td>750</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>260</td>
<td>31,700</td>
<td>280</td>
<td>22,300</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey

\[
\text{Mean (f)} = \frac{\sum fx}{\sum f} = \frac{31,700}{260} = \text{Rs. 121.92}
\]

\[
\text{Mean (D)} = \frac{22,300}{280} = \text{Rs. 79.64}
\]

It can be seen from the table 4.8 that the mean expenditure value on accommodation by an Indian tourist in Goa is Rs. 79.64 per day and by a foreign tourist is Rs. 121.92.
### Table 4.9

<table>
<thead>
<tr>
<th>Expenditure in Rs.</th>
<th>Foreign</th>
<th></th>
<th></th>
<th></th>
<th>Indian</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>f</td>
<td>x</td>
<td>fx</td>
<td>f</td>
<td>fx</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-50</td>
<td>50</td>
<td>25</td>
<td>1,250</td>
<td>90</td>
<td>2,250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-100</td>
<td>65</td>
<td>75</td>
<td>4,875</td>
<td>158</td>
<td>11,850</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100-150</td>
<td>90</td>
<td>125</td>
<td>11,250</td>
<td>23</td>
<td>2,875</td>
<td></td>
<td></td>
</tr>
<tr>
<td>150-200</td>
<td>30</td>
<td>175</td>
<td>5,250</td>
<td>7</td>
<td>1,225</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200-250</td>
<td>20</td>
<td>225</td>
<td>4,500</td>
<td>2</td>
<td>450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>250-300</td>
<td>5</td>
<td>275</td>
<td>1,375</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>260</td>
<td>28,500</td>
<td>280</td>
<td>18,650</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey

Mean (F) \[ \frac{28,500}{260} = \text{Rs.} 109.62 \]

\[ \frac{18,650}{280} = \text{Rs.} 66.61 \]

The table 4.9 shows that on an average an Indian tourist spent Rs. 109.62 on food and beverages per day whereas a foreign tourist spent Rs. 109.62.
Table 4.10

IMPACT OF TOURISM ON THE DEVELOPMENT OF HOTELS AND RESTAURANTS FOR THE YEAR 1988

<table>
<thead>
<tr>
<th>Tourists</th>
<th>No. of tourists</th>
<th>Per capita spending on accommodation (Rs.)</th>
<th>Food (Rs.)</th>
<th>Total amount (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>81,777</td>
<td>1,728.83</td>
<td>1554.41</td>
<td>14.14</td>
</tr>
<tr>
<td>Indian</td>
<td>6,77,535</td>
<td>376.70</td>
<td>316.48</td>
<td>25.52</td>
</tr>
<tr>
<td>Total</td>
<td>7,59,312</td>
<td>2,105.53</td>
<td>1870.89</td>
<td>39.66</td>
</tr>
</tbody>
</table>

Source: Field Survey.

Note: It is clear from table 4.10 the total amount generated by hotel and restaurant sector through foreign tourists is Rs. 26.84 crores and Rs. 46.96 crores by Indian tourists. The per capita spending is arrived on the basis of itemwise break down of tourist expenditure which is compiled and presented in Table No. 4.5.
Table 4.11
TOURIST EXPENDITURE PER DAY PER PERSON ON TRANSPORT IN GOA

<table>
<thead>
<tr>
<th>Expenditure in rupees (Class interval)</th>
<th>Foreign tourist</th>
<th>Indian tourist</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>frequency (f)</td>
<td>Mid value X</td>
</tr>
<tr>
<td>0-10</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>10-20</td>
<td>75</td>
<td>15</td>
</tr>
<tr>
<td>20-30</td>
<td>80</td>
<td>25</td>
</tr>
<tr>
<td>30-40</td>
<td>50</td>
<td>35</td>
</tr>
<tr>
<td>40-50</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>50-60</td>
<td>13</td>
<td>55</td>
</tr>
<tr>
<td>60-70</td>
<td>8</td>
<td>65</td>
</tr>
<tr>
<td>70-80</td>
<td>3</td>
<td>75</td>
</tr>
<tr>
<td>80-90</td>
<td>3</td>
<td>85</td>
</tr>
<tr>
<td>90-100</td>
<td>1</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>260</strong></td>
<td><strong>7820</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey.

Mean (F) = \( \frac{7,820}{260} = \text{Rs.} 30.08 \)

\( \text{Mean (I)} = \frac{4,370}{280} = \text{Rs.} 15.61 \)

It can be seen from the table 4.11 that the mean expenditure value on internal transport by an Indian tourist is Rs. 15.61 whereas in the case of foreign tourist it is Rs. 30.08 per day.
Table 4.12

IMPACT OF TOURISM ON THE TRANSPORT SECTOR FOR THE YEAR 1988

<table>
<thead>
<tr>
<th>Tourists</th>
<th>No. of tourists</th>
<th>Per capita Spending</th>
<th>Total amount spent (₹. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>81,777</td>
<td>426.53</td>
<td>3.48</td>
</tr>
<tr>
<td>Indian</td>
<td>6,77,535</td>
<td>73.84</td>
<td>5.00</td>
</tr>
<tr>
<td>Total</td>
<td>7,59,312</td>
<td>500.37</td>
<td>8.48</td>
</tr>
</tbody>
</table>

Source: Field Survey

The table 4.12 depicts that the total income generated by transport sector through foreign tourists is ₹3.48 crores and ₹5.00 crores by Indian tourists. The per capita spending shown in the above table is presented on the basis of table 4.5.

Shopping forms integral part of tourism. Some of the favourable items for shopping in Goa are Brassware, clay items, carved furniture, textiles, cashewnuts, liquors etc.

Table 4.13 and 4.11 shows the tourism expenditure of tourists and its impact on the handicraft industry.
### Table 4.13.

**TOURISTS EXPENDITURE PER DAY PER PERSON ON SHOPPING**  
(Handicrafts and Other items)

<table>
<thead>
<tr>
<th>Expenditure in Rs.</th>
<th>Foreign tourists</th>
<th>Indian tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( f )</td>
<td>( x )</td>
</tr>
<tr>
<td>0-25</td>
<td>150</td>
<td>12.5</td>
</tr>
<tr>
<td>25-50</td>
<td>73</td>
<td>37.5</td>
</tr>
<tr>
<td>50-75</td>
<td>15</td>
<td>62.5</td>
</tr>
<tr>
<td>75-100</td>
<td>6</td>
<td>87.5</td>
</tr>
<tr>
<td>100-125</td>
<td>9</td>
<td>112.5</td>
</tr>
<tr>
<td>125-150</td>
<td>4</td>
<td>137.5</td>
</tr>
<tr>
<td>150-175</td>
<td>2</td>
<td>162.5</td>
</tr>
<tr>
<td>175-200</td>
<td>1</td>
<td>187.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>260</td>
<td>-</td>
</tr>
</tbody>
</table>

**Source:** Field Survey

\[
\text{Mean (F)} = \frac{8150}{260} = \text{Rs. 31.35} \quad \frac{8275}{280} = \text{Rs. 29.55}
\]

The table 4.13 shows that on an average a foreign tourist spends Rs. 31.35 and an Indian tourist spends Rs. 29.55 on shopping.
Table 4.14

IMPACT OF TOURISM ON THE DEVELOPMENT OF HANDICRAFTS (Shopping) (Rs. in crores)

<table>
<thead>
<tr>
<th>Tourists</th>
<th>No. of tourists</th>
<th>Per capita spending on handicrafts</th>
<th>Total amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>81,777</td>
<td>444.54</td>
<td>3.63</td>
</tr>
<tr>
<td>Indian</td>
<td>6,77,535</td>
<td>139.77</td>
<td>9.47</td>
</tr>
<tr>
<td>Total</td>
<td>7,59,312</td>
<td>584.31</td>
<td>13.10</td>
</tr>
</tbody>
</table>

Source: Field Survey

The table 4.14 shows that the shopping expenditure of domestic tourists is more impressive and is estimated to be Rs. 9.47 crores for the year 1988 compared to foreign tourist expenditure i.e., Rs. 3.63 crores for the year 1988. The per capita spending is arrived as per table 4.5. The expenditure by tourist entails substantial demand on handicrafts. This apart from contributing to the growth of such industries, helps in re-distributing the income to village artisans and craftsmen and such other classes of people in the society.

Through tourism, state can utilise some of its rural resources like forests and slopes of western ghats for an
alternative tourism like wildlife tourism and adventurous tourism (trekking) which would otherwise remain idle or underutilised. The exploitation of its water resources for tourism may also help for a balanced development of its rural economy.

V. TOURISM AND TAX REVENUES

Tourists must pay taxes like other people. Since they come from other regions or countries their expenditure represents an increased tax base for the host-government. In addition to the usual sales tax, tourists sometimes pay taxes in less direct ways. Airport taxes, exit fees, customs duty and charges assessed for granting visas are just a few examples of commonly used methods of taxing tourists. The wisdom of imposing such special taxes on tourists is questionable, since it merely serves to reduce demand. Apart from these special cases, the usual taxes collected from tourists and residents increase due to tourism expenditures.

Many a time Government utilises these revenues for re-investment in infrastructure, superstructure and for the maintenance of monuments which stimulate investment in numerous smaller businesses. Because of the small size of these businesses, capital requirements are relatively low and investment generally proceeds at a rapid pace.
Once good business and income levels have been generated in an area because of its success, businessmen and Govt. agencies may be influenced to invest more in that area. This is known as "accelerator concept." Thus if tourism area "X" booms and the value of TIM is high, rapid expansion may lead to yet more investment on both tourism and in supporting tertiary industries as in the case of spcin and Itawei.

Table 4.15

<table>
<thead>
<tr>
<th>NET STATE DOMESTIC PRODUCT AND PERCENTAGE DISTRIBUTION BY INDUSTRY OF ORIGIN IN GOA (At current prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade, storage, hotels and restaurants</td>
</tr>
<tr>
<td>Trade, storage, hotels and restaurants</td>
</tr>
<tr>
<td>(7.6) (7.4) (9.0) (8.7) (8.9)</td>
</tr>
<tr>
<td>Transport and communication</td>
</tr>
<tr>
<td>(8.8) (10.0) (10.2) (14.4) (11.6)</td>
</tr>
<tr>
<td>a. Railways</td>
</tr>
<tr>
<td>(0.6) (0.7) (0.6) (0.7) (0.8)</td>
</tr>
<tr>
<td>b. Communications</td>
</tr>
<tr>
<td>(0.6) (0.6) (0.6) (0.6) (0.6)</td>
</tr>
<tr>
<td>c. Transport by other means</td>
</tr>
<tr>
<td>(7.6) (8.7) (9.0) (13.1) (10.3)</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
<tr>
<td>(16.4) (17.4) (19.2) (23.1) (20.5)</td>
</tr>
</tbody>
</table>

Figures within bracket indicate percentage to total.


B. SOCIO-CULTURAL EFFECTS OF TOURISM

The first appearance of tourism in the world had a cultural motivation and tourism has always stood as a unique vehicle for the cultural propagation that is necessary to a deeper understanding of people. Social and cultural settings of a nation with friendly disposition is a source of attraction for many foreign tourists. A Society endowed with art and culture, along with its lively customs and cheerful public life, will naturally attract foreign tourists who are keen to partake in its happy festivals and traditions. Tourism with its basic element of movement stands for the possibility of communication between differing civilizations and has served in this sense in its first emergence. Tourism has always been an essential medium for broadening the limits of human knowledge. From the very early times, mainspring of the urge to travel has been based on cultural curiosity and interest.

This fact was duly recognised by the Manila Declaration and was unequivocally stated: "With respect to international relations and the search for peace, based on justice and national aspirations, tourism stands out as a positive and ever present factor in promoting mutual knowledge and

understanding and as a basis for reaching a greater level of respect and confidence among all the peoples of the world.”

Medlik says, “when the tourist come in contact with the place he visits and its population, a social exchange takes place. His social background affects the social structure and mode of life of his destination, he is in turn affected by it and sometimes carry back home with him new habits and ways of life.”

Every type of civilisation from the most sophisticated and advanced to the most primitive is a source of perennial attraction and curiosity for mankind.

Tourism remains basically a cultural phenomenon. One way of hastening the beneficial effects resulting from tourism is to bring the cultural heritage into the economic circuit thus justifying the investments for its preservation made at the cost of the national community.

Tourism is a source of income which may be partly used to reinforce the cultural basis and to improve the existing environment. A report of the Secretariat of

UNESCO, for instance, states based on research that investments made in the restoration and exploitation of monuments and places of historic significance, generally are reimbursed by tourism. Naturally much depends on the Government policy pursued in this matter. Taking a strictly economic view of the cultural heritage of a nation may not be altogether justified, considering that the preservation of its culture is one of the basic responsibilities of any community. Hence mass tourism can contribute unique benefits to the preservation and enrichment of the cultural heritage of a nation and can serve indirectly to improve the individual cultural level of both national and foreigners, while at the same time developing national wealth.

Cultural resources have another specific characteristic feature which can act as a positive element in the developing countries. Those developing countries that possess an ancient civilization or an original culture can benefit greatly from tourism as many people would like to experience the exotic. There will be a great urge on the part of the tourist to visit and get acquainted with

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the ancient civilisation.

The main justification for cultural tourism in fact is not solely the cultural heritage alone. It also means the prospect of contact with other civilizations, their original and varied customs and traditions with their distinct characteristics. The entire process creates a powerful lever that accelerates the motivation to travel. A factor favourable to the developing countries is the unequalled and characteristic novelty of the different civilizations, ancient or modern so revealed which can only add to a further and decisive motivation for undertaking the journey. 49

The daily contacts of residents with visitors may broaden educational and cultural horizons, improve feelings of self-worth and promote upward mobility and acquisition of material advantages. 50

New revenue generated by tourism has also a social benefit for the community in terms of improvements in the quality of life related to higher level of general income and improved standard of living.

The interest of visitors in local culture provides


employment for artists, musicians and other performing artists and often tends to revive the community's interest in its own cultural heritage. Philanthropic programmes and educational and cultural interchanges sponsored by travel business will bring social benefits.

The World Tourism Conference in Manila 1980:51 In its Manila Declaration on World Tourism, it stated that in part, through its effects on the physical and mental health of individuals practising it, tourism is a factor that favours social stability, improves the working capacity of communities and promotes individual as well as collective wellbeing.

In respect of international relations and the search for peace, based on justice and respect of individual and natural aspirations, tourism stands out as a positive and everpresent factor in promoting mutual knowledge and understanding and as a basis for reaching a greater level of respect and confidence among all the people of the world.52

Tourism can be a vehicle for international understanding by way of bringing diverse people face to face. It has been called as a major contributor to international

52. Ibid.
goodwill and as a prime means of developing social and cultural understanding among the people of the world. The interaction of a large number of people with the local population of a country visited results in making friends and goes a long way in increasing friendship. People belonging to different countries, practising different life styles and speaking different languages come together to make friends. There is mingling of culture which has positive effect. Tourism helps to breakdown prejudices, barriers and suspicions that exist between nations. The best way of getting to know another country is go there. When vast numbers travel, the narrow rigid boundaries that keep people in compartments naturally tend to shrink and a positive move towards better international understanding begins to operate.

The following are some of the observations made on the occasion of Manila declaration 1980 on World Tourism.

Dr. Neelam Sanjeeva Reddy at his message to 1980 World Tourism Conference at Manila "International Tourism has grown in the past so rapidly, that it has become one of the largest items of international trade today and has

contributed immensely towards the expansion of the area of friendship and goodwill among the people.  

The following are some of the other observations made at Manila on Tourism.

"Tourism can be a vital force for world peace and can provide the moral and intellectual basis for international understanding and independence."

"Tourism development at both national and international level can make a positive contribution to the life of a nation provided the supply is well planned and a high standard and protects, respects, the cultural heritage and values and the natural, social and human development."

"Its very existence and development depend entirely on the maintenance of a state lasting peace to which tourism itself is required to contribute."


"Tourism for Development" was the slogan of the World Tourism Day in 1987.

Undoubtedly tourism, peace and development go hand in hand. There can be no tourism and no development without peace. There cannot be peace without development. Tourism is essential for both peace and development in today's world. In short, promotion of tourism serves the promotion of peace. Tourism can be used as a vital force for world peace and a forceful motor for economic and social development.

Goa's cultural identity in the context of tourism:

Goa has good social and cultural setting with its friendly and interesting people. With the Portuguese rule for more than 450 years, Goa has acquired a distinctive personality and as a consequence of such long association, the Latin culture has become an integral part of life here. Tourism specially with its paying-guest form of accommodation helped to develop contact of residents with visitors. Such contacts have broadened educational and cultural horizons, improved feelings of individuals and promoted upward mobility and acquisition of material advantages. Tourism, by exploiting the rich resources offered by its interior villages, has also brought tourists in close contact with local population. Such social intermingling of different cultures has led to socio economic growth of the area.
concerned. The new revenue generated by tourism has helped the community in improving the quality of life and improved standard of living.

Goan society is endowed with art and culture with lively customs and cheerful public life. The uniqueness of the local dance, music, drama, arts and handicrafts which are the attractive features of tourist should be maintained in their authentic form. Tourism supports and revitalises certain art-forms which would have otherwise been lost. Some of the dance forms like Kumbi, Mando and Dekhni are almost becoming extinct. To expose the local culture, those dances are important. So the effort ought to be made to revitalise the Goan culture, the interest of visitors in local culture provides employment for artist, musicians and other performing artists and often revives the community's interest in its own cultural heritage of the past. Reinforcement of cultural identity because of its exposure to tourist enhances the sense of pride of Goan culture. Festivals of almost all religions are celebrated in Goa and Jatrás are enlivened by dances and musical performances. Goa's most colourful and unforgettable festivals are Carnival and Shigmo celebration. The survey (Table No.4.5) held by the researcher shows that 2.96 per cent of the foreign tourist expenditure and 3.45
per cent of the Indian tourist expenditure is an entertainment. These expenditures by tourists on entertainment support the cause of art and culture of Goa to a considerable extent. The tourist expenditure on entertainment and the income generated therefrom the year 1988 is shown in table 4.16.

Table 4.16

<table>
<thead>
<tr>
<th>Expenditure in Rs. (Class interval)</th>
<th>Nos</th>
<th>Foreign</th>
<th>Mid point</th>
<th>fx</th>
<th>f</th>
<th>Indian</th>
<th>fx</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>30</td>
<td>2.5</td>
<td>75.00</td>
<td>78</td>
<td></td>
<td>195</td>
<td></td>
</tr>
<tr>
<td>5-10</td>
<td>175</td>
<td>7.5</td>
<td>1312.50</td>
<td>180</td>
<td></td>
<td>1350</td>
<td></td>
</tr>
<tr>
<td>10-15</td>
<td>30</td>
<td>12.5</td>
<td>375.00</td>
<td>11</td>
<td></td>
<td>137.5</td>
<td></td>
</tr>
<tr>
<td>15-20</td>
<td>11</td>
<td>17.5</td>
<td>192.50</td>
<td>6</td>
<td></td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>20-25</td>
<td>7</td>
<td>22.5</td>
<td>157.50</td>
<td>3</td>
<td></td>
<td>67.5</td>
<td></td>
</tr>
<tr>
<td>25-30</td>
<td>4</td>
<td>27.5</td>
<td>110.00</td>
<td>1</td>
<td></td>
<td>27.5</td>
<td></td>
</tr>
<tr>
<td>30-35</td>
<td>2</td>
<td>32.5</td>
<td>65.00</td>
<td>1</td>
<td></td>
<td>32.5</td>
<td></td>
</tr>
<tr>
<td>35-40</td>
<td>1</td>
<td>37.5</td>
<td>37.50</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>TOTAL:</td>
<td>260</td>
<td></td>
<td>2325.00</td>
<td>280</td>
<td></td>
<td>1915</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey

Mean ($\bar{f}$) = \( \frac{2325}{260} = Rs.8.94 \) and \( \frac{1915}{280} = Rs.6.84 \)

It can be seen from the above table that the mean expenditure value on entertainment in Goa by an Indian
tourist is ₹6.84 whereas in the case of foreign tourist it is ₹8.94 only per day.

Table 4.17
IMPACT OF TOURISM ON ENTERTAINMENT IN GOA FOR THE YEAR 1988

<table>
<thead>
<tr>
<th>Tourists</th>
<th>No. of tourists</th>
<th>Per capita spending</th>
<th>Total amount spent (₹ in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>81,777</td>
<td>126.77</td>
<td>1.03</td>
</tr>
<tr>
<td>Domestic</td>
<td>6,775,535</td>
<td>32.35</td>
<td>2.19</td>
</tr>
<tr>
<td>Total</td>
<td>7,59,312</td>
<td>159.11</td>
<td>3.22</td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 4.17 shows that during the year 1988 the income generated by entertainment amounts to ₹3.22 crores. The per capita spending is arrived based on the table 4.5.
C. TOURISM, ENVIRONMENT AND CONSERVATION:

World Tourism Organisation (WTO) started over 30 years ago with the then unfashionable commitment that protection, enhancement and improvement of man's physical and human environment were among the fundamental requirements and human environment were among the fundamental requirements for the harmonious development of tourism. One of the brighter sides of tourism was the creation of parks, wilderness areas, preservation of natural monuments, ecological awareness and better understanding of tourism as partner and preserver of regional ecology associated with religious and nature-myths and geopisty.56

Environmentally, tourism development in underdeveloped regions with scarce raw material resources generally solves or ameliorates prevalent life threatening environmental problems.57 In developed regions a destination area can act as a "Land Bank" which preserves open spaces and reduces the overall development densities. Because the natural attraction is important to the long term economic viability of a destination, tourism development often


57. Chick, Y.Gee. The Travel Seminar, New Delhi. The Travel Industry Avi Publishing Co., in West Port Connecticut, p. 120.
includes conservation of endangered species of flora and fauna, enhancement of the natural and human environments and historic and cultural preservation projects - all of which have direct or indirect benefits to the surrounding community.

Marsh (1986) has cited environmental enhancement due to visitors to national parks. Tourists from all over the world have become friends of conservation and increasingly provide financial support for parks. National parks, specially inland and remote, have helped to disperse tourists spreading economic input to less developed parts of the country.\(^58\)

The National conservation strategy of Zimbabwe recognised that the success of future developments including progress in many industries and in tourism rests upon safeguarding and renewing the natural areas and wild species on which these activities depend.\(^59\)

It is because of expanding tourist demands, some species of plant and animal life have increased in volume rather than dwindling. Hunting and fishing organisations have lobbied for and obtained Government investments and


operating budgets that have increased the opportunities for seeing and hunting more fish and wildlife by investments in improved habitat. 60

Many streams and lakes have been modified to increase the yields and diversity of species. Artificial reef development has multiplied many times the sport-fishing yields.

Hunting pressure has often been increased in order to maintain better balance between certain species such as deer and their natural food supply. In some cases more animals have been produced and their habitat improved for special hunting preserves.

Many game forest management programmes have been implemented that have increased both animal and tree production. In recent years a great many cultural assets have been identified, restored and interpreted. Increased tourism has provided the motivation and economic support for many of these programmes.

Visually and aesthetically the developed tourism landscape is in many instances an improvement over years past. Today more of the environmental modification of

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60. Ibid.
landscape and structures for tourist is being influenced by professional designers of parks, hotels, resorts, recreation areas, theme parks, airports, highways, etc. More and more environmental modifications made for tourists come from highly trained, talented, and experienced team representing specialists from many fields such as economics, marketing, sociology, geography, ecology, biological science, horticulture, archeology, and history as well as more traditional design professors of landscape, architecture, and engineering. These efforts are producing new beauty as environmental modifications are made for tourist use.

The Tourism bill of rights and Tourist Code adopted by the WTO in September, 1985, calls for respect for natural and cultural environment, for which dissemination of appropriate information by the host country is encouraged and desires that tourist must respect established political, social, moral, and religious codes and to comply with legislations and regulations in force.

Goa has a compact area saturated with scenic beauty, flora, and fauna, historical monuments and places of religious significance. The ancient churches and temples

61. Ibid.
are not only places of worship but filled with well-known masterpieces of architecture. Tourism is used as a means to preserve and support these natural and manmade endowments.

Environmentally tourism development in underdeveloped regions with its scarce resources generally solves or ameliorates prevalent guidelines for preserving open spaces and reduce unplanned and chaotic development, preservation of natural monuments, protection of ecology, creation of parks, conservation of species, flora and fauna, preservation of architecture and natural and human environment.

Tourism encourages productive use of lands which are marginal for agriculture enabling land covered under vegetation to remain under the same use. Properly planned and managed tourism activity in its natural environment can protect landscape and prevent pollution. Tourism also improves the infrastructure in the form of better roads, electricity, water supply, better sanitation and building activities.

The interaction between tourism and cultural pollution and environmental speculation is complex and requires sensitive handling. Tourism can eventually become and
instrument for protecting environment if it is properly regulated. Tourism development should be consistent with the environment, ecology and virtues of the society. Government should have sufficient regulatory powers to exercise proper checks on any excesses.

In short, tourism heightens access to understanding of the environment. Popularisation of the landscape by tourism and recreation may promote interest in its conservation. Synergism between tourism, recreation and conservation should be promoted. It should be possible to balance the imperatives of environment and trust to tourism for mutual benefit.