CHAPTER 2. REVIEW OF LITERATURE

2.1 INTRODUCTION

Everyone gains from properly managed tourism. These benefits can be significant in local areas by diversifying the area’s economic base and expanding the employment market.

Tourism has emerged as the most instrumental phenomena in the economic and social development of any society. There is hardly any other economic society which is able to generate as much added value, employment and foreign currency and that too at such a low-cost. (Makan 2006)

Tourism industry is the total of all businesses that directly provide goods and services to facilitate business, pleasure and leisure activities away from the home environment. The Tourism industry needs to get the right balance between business and the quality of life of local communities. Public Private Partnership can be organized as a driver of sustainable development, a provider to the people and cultures of local communities. The Tourism sector must regulate business planning, product and service quality and adopt policies that respect the interests of the locals and the dignity of people in local communities.

Tourism can improve prospects of growth and prosperity by developing careers, education, employee relations, promoting smaller firms, raising environmental awareness and helping in its own way to narrow the gap between the rich and poor. Developing traditional tourism products and imaginative product diversification can reduce seasonality and increase income. Travel and Tourism’s ability to create employment, careers, spread skills, wealth and innovation while stimulating socio-economic and community development is unmatched by any other economic sector. The World Travel & Tourism Council forecasts that if by the year 2010, Indian Travel & Tourism were to generate the same level of employment as the world average and then a further 25 million new jobs would be created in India over the next decade. (WTTC 2007)


2.2 IMPACT OF TOURISM DEVELOPMENT

With the growth of tourism at new destinations more and more local communities are experiencing the impacts of this growth. While many of these impacts have a positive effect on the host population, negative impacts can also occur if those in a position to influence the direction of development become insensitive to the potential of such impacts.

According to Allen et al. (1988) ‘Unfortunately, many state and local governments attempt to optimise economic benefits of tourism with little regard to the social and environmental cost associated with tourism expansion. The impacts of tourism therefore need to be monitored on a continuous basis if adverse effects are to be avoided and the benefits maximised.

This is necessary not only for the purposes of protecting the community’s well-being, but also to ensure that the quality and long term viability of the tourism product at individual destinations is not undermined by adverse reactions of the resident population (Cooke, 1982; Getz, 1994; George, 2005; Hoffman & Low, 1981; Inskeep, 1991; Patil, 2006; Raj, 2007; Selvam, 1989; Zehuder, 1976).

The Impact of Tourism development has emerged as a concern for policy makers and planners. Traditionally tourism development plan has been based on data related to demand. The development potential of Tourism has been oriented towards the needs of Tourists and the provision of attractive and high quality tourist experiences and the growing concern is the extent to which tourism brings development to the whole area rather than parts of the community.

Many recent studies of tourism impacts are that the community has their rights to maintain local control on their quality of life and value systems. (Hernandez, Cohen & Garcia, 1996; Mathieson & Wall, 1982, Perdue, Long & Kang, 1995; Raj, 2007).Tourism more than other industries, is becoming accessible to the right of communities to emphasize their influence. Tourists not only visit environments designed for tourist but also visit places where residents live their everyday life. The benefits and costs of tourism may grow in different ways to different groups of people. The local populations of host regions both benefit and incur costs of various
types Archer and Cooper (1994). It is very important that planners become less pre-occupied with tourists and devote more attention to the welfare of locals.

From the viewpoint of locals, tourism development is receiving increasing recognition as a tool for economic growth and development of a community or region. As a result of relative declines in the output of traditional industries (agriculture, mining, forestry) communities wanting to increase their income have used tourism as a means for rapid growth. Tourism is seen as a valuable support to regional and local development. Tourism is often linked to increased employment, general prosperity, infrastructure and development. The interest in understanding regional economic impacts of Tourism is increasing.

The academic tourism literature generally explains that tourism planning must be sensitive to the goals and main concerns of locals. Regional economic impact studies provide the state with useful information about the economic effects of tourism development.

2.2.1 SCOPE OF TOURISM’S IMPACT ON THE ECONOMY

As Clawson and Knetsch (1966) emphasized, there are two kinds of economics of tourism, one is the primary benefits on the part of tourists who use the recreational facilities and receive direct benefit. And the second is the gains in the destination area where the expenditures are made. What is expense to the tourist is income to the supplier of touristic goods and services which is known as tourism economic impact.

Tourism influences the methods for mass community development in the form of increased sales of retail business, increased number of commercial enterprises, changed tax compositions, larger market for commodities produced locally and increased employment opportunities. In this study tourism development potential is defined as the net economic changes in output, income and employment resulting from tourist spending within the tourism destination area.

This study focuses on the employment pattern of tourism and in addition the total development of tourism in the area of research. Although tourism impact has been recognized as a distinct area of research, past literature often overvalues both expected benefits and drawbacks due to the tendency of searching for an overall
impact. However several studies have indicated that economic benefits brought by tourism industry are not equally distributed across residents in a locale.

2.2.2 ECONOMIC IMPACT OF TOURISM IN THE DESTINATION AREA

The generation of economic impact by tourist spending includes direct, indirect and stimulated economic effects. The first aspect of economic impact is direct benefits. The direct effect of tourism on the host community is the money received directly from tourists.

There are several key economic indicators of such benefits, traveler’s expenditures, business receipts, Income, jobs and government revenues. The direct impact is the value of tourist expenditure less the value of imports necessary to supply goods and services.

The second aspect of economic impact is indirect effect i.e. the establishments which directly receive tourist expenditure need to purchase goods and services from other sectors of the local economy.

The indirect effect will not involve all the money spent by tourists during the direct effect, since some of the money will leak out of circulation through imports, saving and taxation. Income will accrue to local residents in the form of wages, salaries, distributed profit, rent and interest, from the direct and indirect expenditures of tourists.

This addition to local income will, in part, be respent in the local economy on goods and services. It is only when direct, indirect and induced effect is estimated the full economic impact of tourism will be known.

2.2.3 FACTORS INFLUENCING THE ECONOMIC IMPACT OF TOURISM

The most common factors reviewed include the perception of employment opportunity, personal income, local business revenue, contribution to economic growth, overall tax revenue, public expenditure, cost of land, housing and cost of living.
Employment Opportunity

The study of impact of tourism development on employment has been by far the most common measure. Tourism, as a labour intensive industry has a need for large number of local workers. The general findings are positive on increase in employment opportunities in the tourism industry. Human resource development is ultimate solution to all emerging problems in the tourism and hospitality sector. George (2005). A number of studies reported that respondents thought tourism development would increase the number of jobs available for locals of their community.

However employment opportunity from tourism is not always steady since tourists are temporary. Employment is affected by the seasonal nature of tourism. Freitag (1994) found that seasonal lay-offs of local workers occurred during the off-season. Both the studies of Caneday & Zeiger (1991) and Pizam (1978) also reported locals observed the impact of employment fluctuations from tourism. Mathieson & Wall (1982)
argued, even though employment opportunities are provided to the host population, a large number of jobs are unskilled or semi-skilled and are often characterized by low status and low pay.

**Personal Income & Local Business Revenue**

Tourism also has the potential to positively impact personal income and local business revenue. This improves the quality of life of the people in Tourism destination areas.

**Contribution to Local Economy**

Most residents agree that increasing the number of tourists visiting an area could improve the local economy. McCool & Martin (1994) agreed that tourism attracts more investments & spending in the local economy.

**Tax Revenue**

According to Pizam, & Milman (1993), Haralambopoulos & Pizam (1996), Pizam & Pokela (1985) have shown tourism as increasing the overall tax revenue of the local economy.

**Public Expenditure**

Another economic impact issue which has been substantially understated is the public expenditure incurred in constructing tourist facilities, public facilities, (roads, transportation etc.) and increased essential public services (police, fire dept. etc.). Eyster (1976) mentioned that the cost of public expenditure due to tourism development falls primarily on the local population.

**Cost of Land & Housing**

From the view point of locals tourism development is responsible for inflation of land & housing prices. Caneday & Zeiger (1991) observed that impact of tourism on housing prices was high. Other studies by Long, Perdue, and Allen (1990) and Perdue, Long, and Allen (1987) also concluded that respondents evaluated the impact of cost of land and housing in negative ways due to increased prices. However, the result of Belisle and Hoy (1980) is not consistent with the others.
**Cost of Living**

It is frequently mentioned that tourism creates adverse impacts on the daily life of local people in destination communities. Increased cost of living in relation to food and land prices was one of the most frequently discussed negative tourism impacts. The increased demand for local products in some areas results in inflation, thus having a negative influence on local residents.

Eyster (1976) mentioned that, because of the high demand for goods and services by tourists, local people pay the same high prices for goods and services. Belisle and Hoy (1980), Cane day & Zeiger (1991), Pizam (1978), and Tsartas (1992) argue that tourism induced inflation is responsible for increasing the costs of everyday living.

**Multiplier effects**

The qualitative economic impacts are subjective and the direct tourism impacts due to tourist expenditures represent the beginning of assessing the economic impact. Tourist’s expenditures can either be respent in the area or leak out. The analysis of tourism economic impact at a single point in time is referred to as ‘static’ analysis. However tourism expenditure also has ‘dynamic’ effects due to the circular flow of income and expenditure in the economy.

The initial effects of expenditures generate income and there will be secondary effects as that income generates further expenditure. Hurley, Archer, and Fletcher (1994) found that external funding for tourism development in private sector helps rejuvenate an ailing economy. Even so, the primary direct effects of such initiatives were insufficient to meet the target economic impact, but the addition of secondary effects generated sufficient extra income and employment to rejuvenate both the local economy and the country’s economy.

Tourism multipliers measure the present economic performance of the tourism industry and the short run economic effects of a change in the level or pattern of tourism expenditure. Several researchers have explained the economic impact process (Archer, 1982, 1995; Blaine, 1993; Crompton, 1995).
2.2.4 ECONOMIC IMPACT PROCESS

The economic impact process is completely determined by the structure of the regional economy. Estimates of the economic impacts of specific recreational and tourism resources often rely on reported trip expenditures to calculate changes in final demand. The whole process is shown in Figure 2.2. It explains the direct indirect and induced effects of the impact of tourism development in a tourist destination. The process begins with tourists spending money in an area (injection).

The initial tourist spending is received as revenue by tourism related businesses. The injection creates direct revenue to airlines, travel agents, hotels, shops, restaurants and other tourist facilities.

These initial total tourist expenditures are the primary economic impacts (direct effects). Then, the money enters a circular flow. Not all of this money, however, forms income to the resident population. The resident population in the tourism-related sectors must restock their investments to provide for future sales. Also, some profits may be paid to people and organizations outside the area. Thus, as businesses respond, the money they have received from tourists may leak out from the destination area.

The secondary economic benefits of travel include indirect and induced benefits. Indirect effects occur, in the local economy, as the recipients of those direct impacts turn around and spend part of their receipts on goods and services required to supply tourism industries. For example, indirect effects occur as the tourism-related business operators (e.g., restaurateurs) purchase goods (e.g., food) and services (e.g., electricity) in order to serve patrons.

This chain of purchasing goods and services continues in an area until the amount of the business’s initial purchase leaks out of the area through taxes, purchases from suppliers outside the area (imports), business savings, distributed profits, payment to employees etc.
The other type of secondary impact is induced effects of travel expenditures. Induced impacts occur when employees of tourism related businesses and those of suppliers along the chain of indirect impact spend a part of their earnings in the local economy. This spending itself generates output and additional induced and indirect effects throughout the area. These induced effects can be quite considerable. Archer (1992)
even mentioned that in some areas the induced effects have been shown to generate income effects up to three times as great as the indirect effects alone.

In summary the total effect is the sum of the following direct, indirect and induced effects. (Archer, 1995; Blair, 1995; Gabe, Kinsey, & Loveridge, 1996; Liu & Var, 1986; Liu, Var, & Timur, 1984; see figure 2.2)

**Direct effects**: The first round of effects is the initial impact made by purchases from tourist-related retail businesses.

**Indirect effects**: The inter industry effects occur as these businesses make local purchases from all other enterprises in the region.

**Induced effects**: the further substantial impacts generated by the re-spending of household incomes created as a consequence of tourism expenditure.

### 2.2.5 Multiplier Used in Tourism Impact Studies

After the economic impact process, the sum of total economic impact is more than the direct impact. The multiplier is a measure of an impact in the region attributable to the exogenous expenditure. As said by Frechtling (1994), multiplier derives from a desire to summarize the amount of change in some economic benefit variables (output, income, employment, etc.) generated by a given amount of tourism spending in an area.

The concept of multiplier used in tourism impact studies is derived from a desire to summarize the amount of change in output, income, or employment generated tourism spending in an area, the output multiplier measures linkages between sectors reflecting the change in total output attributed to a change in tourist expenditures. Size of the impacted region has an important effect on the magnitude of the multipliers (Blaine, 1993; Var & Quayson, 1985). The larger and more developed the economy, the higher the multiplier value would be.

The Income multiplier shows the relationship between tourist spending and income in the host region or country. The employment multiplier relates spending by tourists to the jobs created by these expenditures.
Tourism income multipliers are known as the amount of income generated in an area by a unit of tourism spending. The tourism multipliers of smaller regions\cities, are smaller than 0.5 but the income multipliers of the larger countries are higher.

The larger countries multipliers are likely to be higher than those of the smaller regions because of the higher leakage element associated with the latter economies. The larger the region’s economic base, the smaller the propensity to import and the larger the regional value added, the greater will be the multiplier. Therefore it can be concluded that the magnitude of the multiplier will depend upon the size of the impacted region.

Tourism not only creates jobs in the service sector, it also encourages growth in the primary and secondary sectors of industry. This is known as the multiplier effect which in its simplest form shows how many times money spent by a tourist circulates through a country's economy.

Money spent in a hotel helps to create jobs directly in the hotel and also creates jobs indirectly elsewhere in the economy. The hotel, for example, has to buy food from local farmers, who may spend some of this money on fertilizer or clothes. The demand for local products increases as tourists often buy souvenirs, which increases secondary employment.

The multiplier effect continues until the money eventually 'leaks' from the economy through trade with other states and countries.

The multiplier effect maintains its efficacy as long as no import takes place. The tourist economy of any country, if it is to remain healthy, must rely upon local agricultural production and this elementary condition seems today to be on the way to realization in the majority of developing countries. Bhatia, (1986)
FIGURE 2.3  THE MULTIPLIER PROCESS

The Multiplier Process

Source Cooper (1993)
2.3. ECONOMIC IMPACT OF TOURISM IN INDIA

Tourism is a major social phenomenon of the modern society with enormous economic consequences. Its importance as a tool for economic development and employment generation particularly in remote and backward areas and a positive step for poverty eradication has been accepted all over the world.

According to the UN World Tourism Organization UNWTO (2005) about 808 million tourists travelled globally in 2005 and spent about US $ 682 billion. The tourism scene in India is also very positive with 3.92% tourists coming to India in 2005 (13.2% over 2004) and contributed Rs. 25,172 cores in foreign exchange earnings for the country (16.5% up over 2004)

In India the direct contribution of tourism accounted for 2.78 per cent of GDP and when the indirect effects were added, the tourism share was 5.83 percent of GDP. The results for the total tourism output multiplier suggested that the combined direct and indirect impact was 2.1 times the actual spending by tourists. Tourism accounted for 4.59 per cent of employment and the direct and indirect contribution in tourism accounted for 8.27 per cent of total employment in India, which was estimated to be 38.6 million jobs.

According to Ministry of tourism 2006, the tourism satellite account of India shows that the contribution to employment also went up from 8.27 per cent to 9.27 per cent.

India also derived benefits from tourism inspite of the fact that the level of tourist arrivals was not very high. For a country like India the arrival figures should have been more to get the real economic benefits of tourism.

The growth in the tourism sector emerged as a very important contribution to the country’s economy and employment generation in various tourism related activities. At a rough estimate, total direct/indirect employment in the tourism sector in India was about 41.8 % during 2003-04. The indirect employment multiplier in the case of tourism is fairly high and is estimated at 2.36, which implies that direct employment of one person in the tourism sector creates employment to 1.36 persons
in other sectors of the economy due to linkages with tourism. These linkages are in the sectors like agriculture, horticulture, poultry, handicrafts, construction, transport, communications, sports etc. Further with the development of tourism directly/indirectly employed may need more goods and services.

Additional demand will thus generate more employment and further multiplier effect will come into force with successive chain of transactions. In fact investment in tourism has the potential to create more jobs compared to many other sectors and all the more at a lower level of investment. The labour/capital ratio is very favourable in tourism sector compared to many other industries with 47.5 jobs for a million rupee investment as has been seen in the survey conducted by the Ministry of Tourism, Govt. of India.

According to Mr. Gour Kanjilal, Tourism is now recognized for its contribution to create jobs for women. This empowerment of women which is being focused by our successive governments is achieved through tourism projects. Both educated and uneducated women are now involved in tourism related activities. More women are in hotel, travel, airlines, handicrafts making, cultural & entertainment events, etc. and are now better integrated in the national developmental programme through tourism activities. With this double income in the family, the standard of living in the families has improved. (Mr. Gour Kanjilal Ex Deputy Director General/Regional Director, Ministry of Tourism, Govt. of India who is presently working as Executive Director with Indian Association of Tour Operators, New Delhi)

Tourism has made a big contribution for creating jobs in backward areas where industries do not venture to invest. Now thousands of domestic tourists and international tourists are visiting destinations which were never in their itinerary just to experience the pristine beauty of the places to enjoy the ethnic culture, cuisine, festivals etc. Central Government is providing special financial incentives to all the State Governments to promote rural tourism. This is a step towards removing poverty. By involving local people the benefits filter down from developed areas to under developed areas.
As per estimates prepared by the World Travel & Tourism Council (WTTC 2001), tourism accounts for about 13% of the total world exports. Further employment which is estimated at 207 million jobs or 8.25% of global employment in 2001 is likely to grow to 260 million jobs or 9% of the global workforce by 2011.

India has recognized tourism as an instrument for generating large scale employment opportunities. India offers enormous potential for economically utilizing the natural attractions like its beaches, mountains, rivers, wildlife, sanctuaries, waterfalls, landscapes which are available in abundance. This is further supplemented by manmade attractions like monuments, palaces, forts and such beautiful constructions built through centuries (World Heritage monuments).

2.4 TOURISM AND COMMUNITY PARTICIPATION

Community based tourism has emerged as a solution to the negative effects of mass tourism in developing countries (Belsky, 1999; Nel and Binns (2002), Goldman; 2003, Pruthi, 2006). An important aspect of community based tourism is community participation. It is believed that many of the negative effects of mass tourism are likely to be reduced when communities have a role in making decisions with respect to the local growth of tourism. Community participation is expected to improve local resource management as well as distribution of the economic benefits of tourism. The quality of life of the locals will improve by developing local entrepreneurship, access to venture capital and conservation of local resources. Community based tourism is a strategy that uses local tourism as a method of community organization. The extent of community participation in tourism is likely to depend upon its assumed costs and benefits. As a result, in the early stage of the development of community based tourism, positive attitudes toward tourism is likely to increase community participation.

People’s perception of the advantages and disadvantages of tourism is important for planning strategies for community involvement in local development through tourism (Visser, 2003). The interpersonal relationships between the locals and the visitors whether real or illusory become a matter of debate in the minds of the locals. The degree of difference in tourism profits changes power relations. Those who have
financial profits in the tourism industry will be more favorable to tourism whereas others will not support the industry.

Communities are many times eager to seize the economic opportunities that are associated with tourism (Allon, 2004). The seasonal nature of coastal tourism changes the cycle of leisure and work. In coastal communities they make most of their annual income in a few months during the peak season. They have little time to pursue traditional leisure activities thus limiting the time of celebrations, family visits, partying and community festivities. Thus the locals are quick to adapt to tourism.

Tourists affect the way of life in communities, yet it would be misleading to assume that locals passively submit to the influence of tourism. Many times the local values, rights and customs are threatened by tourists and the industry of tourism. In order to cope with the changes tourism brings into the community, strategies of covert resistance emerge (Scott, 1985). Examples of this covert resistance include sulking, grumbling, obstruction, gossip and ridicule against the power brokers in the local tourism activities. There are other forms of adapting to tourism (Lundy, 1999). For example, a community may have festivals or celebrations at times or in locations where they can avoid tourists. Another way of avoiding tourists is to fence off private areas and events.

In other instances local citizens may organize and protest against those who are marketing their support regions without their consent. Finally in some circumstances people may resort to violence to defend themselves against insensitive and disturbing tourists. The tourist-host encounters can be temporary and in social circumstances the ability to create a bond of mutual trust is negated. It is the non-repetitive nature of the relationship which can lead to deceit and exploitation and a general feeling of mistrust (Van De Berghe, 1980). According to Sutton (1967) the relationship between hosts and guests is unequal in that the visitors are on the move looking for enjoyment while the hosts are stationary catering to the needs and desires of the guests. Irregularities may also exist between local groups and their access to revenue from tourism. Such lopsidedness may generate misunderstandings and conflict.

Ashley & Roe, (1998) describe community participation as a spectrum from passive to active involvement to full local participation, where there is active community
participation and venture ownership. Meanwhile, some scholars provided a typology of participation. However, they don’t directly deal with tourism development (Leksakundilok, 2006). Community participation can be an important factor for community capacity building in tourism development. Without community participation, there are obviously no partnerships, no developments and no program. Hence lack of community participation in the decision to implement a tourism development can lead to failure in the community development (Miranda, 2007).

2.5 SUSTAINABLE DEVELOPMENT AND TOURISM

In 1987 the (the Brundtland Commission), defined sustainable business practices as those which ‘meet the goals of the present without compromising the ability of future generations to meet their own needs’ (WCED, 1987). Sustainability was described as a desirable outcome of necessary change to current industrial behavior. The dominant characteristics of the tourism industry with its international nature and multidisciplinary structure indicated that it would quickly become a benchmark for the measurement of commercial outlook and targets towards sustainable practices.

The WCED recommends that governments should strike a balance between the fulfillment of current social needs (intra-generational equity) and the principle of intergenerational equity. These are studied here by considering an intrinsically dynamic externality that arises when the hidden values of a natural resource, are taken into account (Pearce et al., 1989).

Priestley et al. (1996) points out that tourist satisfaction increases by an environmentally pure destination and that such a destination will attract more intensive visitation. On the other hand, a higher volume of visitors poses a challenge to the environmental purity which initially attracted them and the destination thus becomes threatened by its own success. These contradictions can be seen as prima facie evidence that concern for the physical environment should constitute a key component in tourism sustainability.

Bramwell et al. (1996) suggests that the WCED conclusions may not be universally relevant to tourism, taking particular issue with the authors’ tendency to equate sustainability with ecology. As Bramwell et al. (1996) argues tourism centres around
an interaction between hosts and guests which takes place in the hosts’ home environment and involves the consumption of physical resources in exchange for economic reward. It seems more logical to address sustainability with careful considerations of economic and socio-cultural issues.

Rosenow & Pulsipher (1979) have included multiple views in their vision for a new form of tourism, one which would offer considerable potential for long-term sustainability. Twenty years later, it is possible to advance an appropriate scenario for tourism’s role in a perfectly sustainable business environment. The industry would focus on maintaining the quality of visitor experiences within an environment of social equity and community involvement. It would operate within natural and human resource limitations at the same time conserving cultural, recreational and educational opportunities for current and future generations. It would be based on activities or designs specifically customized to reflect the character of the host region and it would therefore allow tourists to gain a clear understanding of the area and its local community. Though the inherent diversity of tourism may limit the universal applicability of such a vision, it is argued that the scenario remains worthy of energetic pursuit. Indeed, for some authors (e.g. Badan; 2007, Patil; 2006, Sharma; 2004.) developing tourism in harmony with the social, cultural and physical environment of a destination can offer industrialists a competitive advantage. The adoption of sustainability principles in business operations can therefore be viewed as an attractive prospect for realistic, as well as theoretical reasons.

Recent attitudes to the sustainability of tourism development have a tendency to move away from the initial approach which classified all forms of activity into an operational dichotomy, as sustainable (‘good’ tourism) together with another style as unsustainable (‘bad’ tourism). Kerala has committed to work with others to take responsibility for achieving the economic, social and environmental components of responsible and sustainable tourism.

According to Godfrey (1996), sustainability is not a tool to measure the correctness of a given tourist activity, but rather is an idealized global target to which all forms of tourism must necessarily aspire. The principal elements of Godfrey’s argument are summarised in Box 2.1.
### Box 2.1 KEY ELEMENTS OF SUSTAINABLE TOURISM

<table>
<thead>
<tr>
<th><strong>Comprehensive</strong></th>
<th>including social, cultural, environmental, economic, political implications.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Iterative/Dynamic</strong></td>
<td>readily responding to environmental and policy changes.</td>
</tr>
<tr>
<td><strong>Integrative</strong></td>
<td>functioning within wider approaches to community Development.</td>
</tr>
<tr>
<td><strong>Community oriented</strong></td>
<td>all stakeholder needs addressed through community involvement.</td>
</tr>
<tr>
<td><strong>Renewable</strong></td>
<td>incorporating principles which take into account the needs of future generations.</td>
</tr>
<tr>
<td><strong>Goal oriented</strong></td>
<td>a portfolio of realistic targets results in equitable distribution of benefits.</td>
</tr>
</tbody>
</table>

Source: Godfrey 1996

Many backward regions have tourism potential and are often related to a depressed economic situation with its roots in peripherality— a geographic, social and political isolation from the heart of national decision making (Keogh, 1990). For these backward regions, tourism industry can offer a potentially possible source of income with relatively few barriers to entry.

Motivated by the opportunity to explore a destination, tourists have realistically low expectations of sophisticated tourism infrastructure, coupled with an increased need for genuine friendliness from hosts. Their interests in culture and the physical environment can involve a wide cross-section of the host population in visitor hospitality and their financial contributions can resolve economic difficulties whilst enhancing the self-esteem and independence of the local community (Boissevain, 1996). These characteristics may prove particularly attractive to peripheral regions where tourism is in its infancy.

Alternative tourism styles may offer a development opportunity which closely associates with previously identified principles of sustainability. If realistically low key objectives can be adopted to incorporate the views of all stakeholders tourism is considered as an addition to (rather than a substitute for) other economic activities.
A holistic approach to tourism development includes social, cultural and environmental considerations. It will be at least theoretically possible to achieve a substantial measure of long-term sustainability to the benefit of everyone involved. In this context, peripheral regions may in fact be better placed than their core destination counterparts to benefit from sustainable tourism development.

2.5.1 SUSTAINABILITY AND STAKEHOLDER PARTICIPATION

In tourism literature it was the introduction of the idea of sustainable tourism development in the 1980’s that gave rise to researchers investigating the idea of the stakeholder. Murphy (1985) in his work on Tourism, a community approach predates the ideas, which became popular as sustainable measures in the beginning of the 1990s. He demonstrates how the local community is affected by tourism and tourism development, whether the effects are positive or negative and he emphasises the need for local community involvement as a means of controlling these effects.

Although Murphy (1985) is focusing on community involvement in tourism and tourism development, he mentions governments, businesses and banks as key players in tourism planning, “More balance in the decision-making process is required between those with the funds (governments, big business, banks) and those who have to live with the outcome and are expected to provide the hospitality.”

Keogh (1990) takes an approach similar to Murphy. He investigates the role of the local community and the various interests groups within the community as key players in tourism planning, without the term stakeholder being mentioned.

Researchers like Jamal and Getz (1995) and Bramwell and Sharman (1999) focus on collaboration as a necessary tool in community tourism planning and their research gives examples of the importance of community involvement in sustainable tourism planning. The emphasis is on the host community as the most important stakeholder and on the forms of collaboration between the local community, the public and private sectors.
Robson M. (1996) investigates the implications of the stakeholder theory for tourism marketers and using Freeman’s definition, they identify two specific sets of stakeholders: those of tour operators and of local government tourism marketers.

The tour operators’ stakeholders include employees, pressure groups and regional tourist board, hoteliers, end users, travel agents, national tourist organizations, central government bodies, local government tourism marketer, media organizations and transport providers, local and national attractions.

The local government tourism marketers’ stakeholders range from professional bodies to local authority art services, chief executive, chief officer, ‘field workers’, the committee, councillors, county council, physical environment, non-resident visitors, residents (electorate, council tax payers), local businesses, employees, tourist information service, media, regional tourist boards, national tourist boards and central government (audit commission, regulatory bodies).

Tribe (1997) identifies the importance of stakeholder involvement in tourism strategy processes and argues that different forces act on an organization’s aims and objectives. Therefore setting the interests of the stakeholders should be one of the most important considerations. He identifies stakeholders as “any person or group with an interest in an organization” or as “a person or group with an interest in the operation of a particular organization.”

Swarbrooke (1998) maps out the key stakeholders in sustainable tourism. In his account, the following groups are listed: the host community, governmental bodies, the tourism industry, pressure groups, the media, experts (as commercial consultants and academics), organizations of the voluntary sector and last but not least the tourists. However, he does not give a definition of the concept of stakeholder, simply using the term as a synonym for key players.
Simpson (2001) looks at how the involvement of one stakeholder group, the local community, in strategic planning can contribute to sustainable tourism development.

Tribe (1997) makes a distinction between external and internal stakeholders. “Stakeholders with high power/interest will be the key players to whom stakeholder satisfaction analysis needs to be primarily addressed.”

Most of the academic writings (Murphy, 1985; Bramwell and Sharman, 1999; Simpson, 2001) present arguments for the involvement of various stakeholder groups in order to achieve sustainability, i.e. they suggest who should be involved in tourism development and what should be done.
There is little evidence for the use of this approach in the tourism literature, probably as the stakeholder concept is not widespread enough to be investigated at a theoretical level. Some suggestion comes in the notion of Getz and Timur (2005) of attributing sustainability goals especially to the main stakeholder groupings. Traces of the instrumental approach can be found in articles and books on collaboration in tourism planning (Jamal and Getz, 1995; Gunn, 1994), where collaboration may be regarded as an instrument to reach a specific outcome.

The idea of stakeholders has become increasingly important in studies of tourism development. It makes it possible to foresee a much wider range of actors and organizations being connected to the processes of development than was addressed in the traditional planning dominated literature.

In the context of this thesis, the idea of stakeholders creates two critical changes within the analytical perspective. First, it opens out the range of actors and organizations that can be seen as having an interest in or being affected by tourism development. Secondly, it treats actors, organizations and stakeholders as interests that also have agency. That is stakeholders are seen to have the capacity to shape tourism development in specific places.

Stakeholder mapping has been suggested here as one way in which academics might identify and analyze the interplay between stakeholders’ differing interests and powers.

2.5.2 SUSTAINABILITY AND THE PLANNING PROCESS

Harrison and Husbands (1996) suggest, sustainable tourism is not a product or a brand it is a way of doing planning, policy and development to ensure that from tourism benefits are equitably distributed between all stakeholders.

Raj (2007) puts forward that Tourism is not merely about increasing the number of tourists in a region or to bring in the tourist dollars, it is about increasing the amenities, infrastructure and to develop the tourism resources.
**BOX 2.2 SUSTAINABILITY AND COMMUNITY TOURISM DEVELOPMENT**

- Local resident perceptions will determine attitudes to tourism development
- Local residents must identify salient issues of local concern
- Local residents must determine pace and scale of development
- Development must coincide with community aspirations and abilities
- A wide range of resident opinion will exist within and between communities
- Resident participation will result in support for ensuing development

(After Cooke, 1982; Murphy, 1985; Haywood, 1988; Murphy, 1988; Raj 2007)

The principles of sustainable development are more clearly noticeable in Getz’s community based model and this relationship is accepted by Hall (1995) in his identification of a fifth planning approach that of sustainable tourism planning. Hall’s vision of appropriate planning acknowledges the need for integration of tourism with other economic activities and supports a long-term view which seeks to maximize tourism’s benefits at the same time minimizing or eliminating environmental, cultural and social instability.

However, Hall clearly supports sustainability as a desirable outcome of all planning activity. He acknowledges that any effort to determine a uniformly ideal planning model may represent an unsuitable approach.

An expected failure surrounds such ambitions, as site specific influences will consistently intervene to the extent that a model which is effective in one region cannot be automatically generalized by others as Gunn (1994) has noted.
### BOX 2.3 TOURISM PLANNING TRADITIONS

<table>
<thead>
<tr>
<th><strong>Boosterism approach:</strong> tourism is an entirely beneficial activity and the extent of its operations should be maximised wherever possible.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic approach:</strong> tourism is a valuable force for economic development and is best used to generate income and employment for selected regions.</td>
</tr>
<tr>
<td><strong>Physical/Spatial approach:</strong> tourism should be developed in such a way that negative environmental impacts are minimized/eliminated.</td>
</tr>
<tr>
<td><strong>Community approach:</strong> tourism is a social and political force which can best be developed by giving independent control to local people.</td>
</tr>
</tbody>
</table>

Source: Getz, (1987)

Hall (2000) has argued that optimum forms of tourism planning leave a perceptual gap between global and national interest in sustainability. In these circumstances, he suggests that any further effort to establish a detailed prescriptive planning model may be counter-productive, arguing that a more useful contribution lies with the establishment of a planning framework which is sufficiently broad-based to allow flexible interpretation in the face of changing circumstances.

Hall emphasizes the need to distinguish between the planning process and the plan itself. The actual tourism plan will reflect the range of local influences which characterize individual regions and will accordingly represent an outcome customized to the specific needs of the area under analysis. The concept of strategic planning has been frequently used, in the basic management literature, as a suitable mechanism by which a process framework of this nature can be realised. The concept of strategic planning is a basis of conventional management theory and has been discussed at length in management literature (e.g. Steiner, 1979; 1993; Mintzberg, 1994).
Sustainable development, stakeholder participation and the importance of strategic planning are well-established concepts within the tourism literature. Due to the Tourism industry’s complex nature there is need for strong support for multiple stakeholder participation, strategic planning processes for ultimate sustainability. Any strategy which emerges from a community based process will enjoy a higher level of local support.

2.6 REVIEW OF INDIA'S TOURISM POLICIES AND PLAN PRIORITIES

According to Edgell (1990) “the highest purpose of tourism policy is to integrate the economic, political, intellectual and environmental benefits of tourism cohesively with people, destinations and countries in order to improve the global quality of life and to provide a foundation for peace and prosperity”. The goals of tourism policies are generally philanthropic in nature with a frontage which echoes the status of tourism development in a particular country.

The importance of tourism in India was first identified in 1946. Sir John Sargeant was appointed as a chairman by Government of India to advise the Government on the development of tourism and its economic implication. This led to the establishment of a 'Tourist Traffic Branch' in 1949 in the Ministry of Transport. In 1952, the Government of India opened a tourist office at New York to promote tourism. In 1955, Air India established a "Tourism Cell" in Bombay and a Government of India Tourist Office was opened at London. One more significance was the expansion of the "Tourism Section" in the Ministry of Transport into a full-fledged" Directorate of Tourism in 1958". The India Tourism Development Corporation (ITDC) was established in 1966 to develop infrastructure and promote India as a tourist destination. An important development was the establishment of Indian Institute of Tourism and Travel Management (IITTM) in1983 as an apex institution for tourism education.

Tourism policy 1982 stated "The many attractions of India hold virtually an unlimited potential for tourism development. The endeavor, therefore, will be to convert this vast potential into reality through well planned, well-defined and fully integrated national programmes of tourism development." Tourism Policy of Government of
India" in 1987 recognized tourism as a method to economic growth, a potpourri of different cultures and a very important force for international cooperation. The constitution of a National Committee on Tourism (NCT) by the Government was formulated in the seventh plan to evaluate the economic and social relevance of international and domestic tourism of India, define the roles of Central Ministries, State Government, Public and Private Institutions and recommend proposals for drawing up a long term plan for promoting the growth of tourism on desired lines.

Tourism development in India has undergone a radical change and passed through many stages. In 1956 development of tourist facilities was taken up by the government in a planned manner coinciding with the Second Five Year Plan. The approach has changed from isolated planning of single unit facilities in the Second and Third Five Year Plans. The Sixth Plan marked the beginning of a new era when tourism began to be considered a major instrument for social integration and economic development. It was only after the 80's that tourism activity gained momentum. The Government took several significant steps. A National Policy on tourism was announced in 1982. Later in 1988, the National Committee on Tourism formulated a comprehensive plan for achieving a sustainable growth in tourism.

In 1992, a National Action Plan was prepared and in 1996, the National Strategy for Promotion of Tourism was drafted. In 1997, a draft new tourism policy in tune with the economic policies of the Government and the trends in tourism development was published for public debate. The policy recognizes the roles of Central and State governments, public sector undertakings and the private sector in the development of tourism. The need for involvement of Panchayati Raj institutions, local bodies, non-governmental organizations and the local youth in the creation of tourism facilities has also been recognized.

The other major development that took place was the setting up of the India Tourism Development Corporation in 1966 to promote India as a tourist destination and the Tourism Finance Corporation in 1989 to finance tourism projects. Altogether 21 Government-run Hotel Management and Catering Technology Institutes and 14 Food Craft Institutes were established for imparting specialized training in hoteliering and catering.
### TABLE 2.1 TOURISM POLICIES OF INDIA

<table>
<thead>
<tr>
<th>YEAR</th>
<th>POLICY</th>
<th>OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>Sargeant Committee</td>
<td>Promote tourism</td>
</tr>
<tr>
<td>1949</td>
<td>Ministry of Transport</td>
<td>Established 'Tourist Traffic Branch'</td>
</tr>
<tr>
<td>1952</td>
<td>Tourism information offices(India)</td>
<td>Bombay and Delhi</td>
</tr>
<tr>
<td>1952</td>
<td>Tourism information offices(overseas)</td>
<td>New York</td>
</tr>
<tr>
<td>1955</td>
<td>Air India</td>
<td>&quot;Tourism Cell&quot; at Bombay and a Government of India Tourist Office was opened at London.</td>
</tr>
<tr>
<td>1958</td>
<td>Separate tourism department was created under Ministry of Transport</td>
<td>&quot;Directorate of Tourism in 1958&quot;.</td>
</tr>
<tr>
<td>1965</td>
<td>Department of tourism</td>
<td>Hotel corporation of India, India Tourism corporation of India Ltd, India Tourism Transport undertaking</td>
</tr>
<tr>
<td>1966</td>
<td>ITDC</td>
<td>Promotion of tourism</td>
</tr>
<tr>
<td>1967</td>
<td>A separate ministry of tourism and civil aviation</td>
<td>Expansion of activities</td>
</tr>
<tr>
<td>1982</td>
<td>First tourism Policy</td>
<td>Contributing substantially to foreign exchange earnings, employment generation and backward area development.</td>
</tr>
<tr>
<td>1987</td>
<td>&quot;Tourism Policy of Government of India&quot;</td>
<td>Recognized tourism as a catalyst to economic growth</td>
</tr>
<tr>
<td>2002</td>
<td>Tourism policy</td>
<td>Recognized tourism as a major engine for economic growth</td>
</tr>
<tr>
<td>2006</td>
<td>Maharashtra Tourism Policy</td>
<td>Initiatives by state government in Tourism</td>
</tr>
<tr>
<td>2008</td>
<td>Schemes in eleventh plan</td>
<td>Developing tourism with technology</td>
</tr>
</tbody>
</table>
Tourism has been recognized as a potential growth driver in the country. The country’s vast picturesque locations, rich culture and heritage as well as large and inexpensive manpower availability make it suitable to develop as an attractive tourism centre. The number of tourists both domestic and international is increasing substantially over the years. A steep increase in foreign exchange earnings through tourism has also been evident in the past few years.

India tourism registered a growth over 104% over a period of 10 years from 1997 to 2007 in terms of foreign tourist arrivals. The estimated number of foreign tourist arrivals in 2007 touched 5 million as compared with 4.45 million in 2006. Moreover the foreign exchange earning registered a growth of more than 300% over a period of 10 years from US$ 2.88 Billion in 1997 to US$ 11.96 Billion in 2007. (Ministry of tourism 2008)

It has been identified as a sector with immense potential to trigger not only economic growth but also development with equity which is one of the prime focuses since the beginning of the plan period in the Country.

The tourism perspective in the country has changed substantially over the recent years. To understand the changing focus of the policy formulators in the context of the tourism sector, a close look at the tourism policies would be relevant. The first ever tourism policy was announced by the government in November 1982. It was recognized that tourism brings socio-economic benefits to the community as well as to the state.

It took exactly a decade for the Central government to come out with some possible improvements over the national strategy for the development of tourism. Keeping in pace with re-focusing strategy of tourism the governments have also paved the paths for developing tourism on priority basis. This was through the announcement of the National Action Plan for Tourism in May 1992.

The National Action Plan pronounced 7 objectives of the tourism planning as the central concerns of the government:
FIGURE 2.5 OBJECTIVES OF THE NATIONAL ACTION PLAN FOR TOURISM 1992

The seventh five year plan advocated various polices for tourism in India to promote aggressively domestic tourism create beach resorts, conduct conferences, trekking, conventions and winter sports so that various options are available to the tourists.

To further encourage tourism in India, the eighth five year plan (1992-1997) mentioned that the private sector should increase its participation. The various polices promoted by the eighth plan for tourism were to develop the tourists places, winter sports, beach resort, wildlife tourism, restore the projects of national heritage and provide tourists centres and economy class accommodation.

The approach of the Ninth Plan envisaged concentrating on the development of selected centres and circuits through effective coordination of public and private sector. The Government focused on the development of basic infrastructure such as transport facilities and civic amenities and played a facilitating role in the provision of accommodation and other facilities for all classes of tourists, both domestic and international.
The approach in the Tenth Plan is to stimulate investment and encourage the State Governments to develop unique tourism products. The aim is to enhance the employment potential within the tourism sector as well as to foster economic integration through developing linkages with other sectors.

The latest tourism policy was announced in 2002 and it envisaged new directions and priorities towards tourism sector development. The key elements of the Policy are listed below which clearly depict the changing focus of the tourism planning of the country:

- Position tourism as a major engine of economic growth.

- Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism.

- Focus on both international and domestic tourism.

- Position India as a global brand to take advantage of the burgeoning global travel and trade and the vast untapped potential of India as a destination.

- Acknowledge the critical role of the private sector with government acting as a proactive facilitator and catalyst.

- Create and develop integrated tourism circuits based on India’s unique heritage in partnership with States, private sector and other agencies.

- Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched and spiritually elevated. (Ministry of Tourism, 2002)

The key strategic objectives for Indian Tourism sector in the eleventh Plan is to develop schemes for product/ infrastructure development, destination and circuits, schemes of assistance for large revenue generating projects, capacity building for service providers (CBSP), rural tourism, financial Assistance to states for organising tourism related events, central financial assistance for information technology (IT) projects, support to Public Private Partnership in infrastructure development (Viability Gap funding), time share resorts (TSR), market research- professional services,
marketing development assistance, promotion of domestic tourism, financial assistance to the IHMs/FCIs/IITM/ITIs/POLYTECHNIC etc.

Tourism in India has increased by leaps and bounds in the last few years. The government and Ministry of Tourism needs to ensure that tourism in India takes the tourism sector of the country to greater heights on a sustainable basis.

2.7 STATUS OF TOURISM EMPLOYMENT

The major shift in focus of the tourism policy can be identified as employment generation and local economic development. Keeping pace with the National government’s re-focusing strategy of tourism, the state governments have also paved the paths for developing tourism on priority basis. For instance, the mission statement of the Rajasthan state government reads as:

A pragmatic policy designed to ensure optimum utilization of rich tourism resources of the state to generate employment specially in rural areas, to develop a ready market for the rich and varied handicrafts, to preserve and to accelerate contribution of tourism industry in socio-economic development of the state by making tourism a truly People’s Industry in Rajasthan.

The policy statements of both the central and the state governments shows that tourism has been visualized as an important tool for socio-economic development of the local communities in the rural areas of the country.

The role of the government had been envisaged as a catalyst, promoter, facilitator and provider of infrastructure apart from playing the role of the regulator. A well-directed holistic plan can play a crucial role in achieving a two-pronged goal of the government.

Along with the development of the local community and generating employment in rural areas, revival of traditional culture (in art and other forms) can be used as an important instrument to attract tourists and in turn generating revenue for the state as well as for the country.
Tourism has emerged as a major economic and social activity in the modern world with enormous economic impact. Tourism is seen as a valuable means for economic development and employment creation, particularly in areas that are rural or less developed. The most significant feature of the tourism industry in India is its capacity to generate large-scale employment opportunities. It offers the potential to utilize natural resources and adds value to the local architectures and environments of many areas. However, a special feature of tourism is its ability to employ large numbers of women and young members of the workforce. Most job opportunities come from airlines, hotels, travel agencies, handicrafts and cultural and other tourism-related activities.

The tourism industry accounted for 4.59 per cent of employment and the tourism economy accounted for 8.27 per cent of total employment in India, which was estimated to be 38.6 million jobs. (Ministry of Tourism, 2006 Tourism Satellite Account for India)

Tourism has also become an instrument for sustainable human development with the aim to alleviate poverty, regenerate the environment, create jobs in rural areas and help in the advancement of women and other disadvantaged groups.

People are the primary resource in tourism, because all tangible and intangible tourism products are delivered through the people working in the industry. In the era of technology and increased competition, the range and variety of products and services is likely to undergo considerable change. In this context, the quality of human resources will be even more vital. The needs of the industry must be addressed through innovative strategies that include development of multiple skills, service-oriented attitudes and skill training and cross training. The basic objective of human resource development will continue to enhance efficiency and increase the capabilities of all individuals who provide tourism services. There is a need to take a very serious view of human resource development in the tourism sector.

2.7.1 DIFFICULTIES OF MEASURING TOURISM EMPLOYMENT

Since 1970’s the government began to recognize tourism as an important sector for the economy. This task becomes even more difficult when one considers the primary,
secondary and tertiary sectors effects produced in a tourist economy which is known as a cascading effect throughout the host economy Cooper (1993).

There has been an ongoing debate and myths surrounding tourism when one tries to estimate its economic scale. Recently tourism related statistics are getting recognized. The estimation of tourism jobs is always overstated and therefore there is a need to recognize the variety of goods & services in the tourism sector. The fragmented nature of tourism significantly adds to the complexity of estimating the types of employment & number of people employed in the tourism sector.

“The nature of employment in the tourism industry together with the diverse range of linkages between tourism sectors & other sectors of the economy also compound the problem of attempting to make realistic estimates concerning the magnitude of the industry” (Cooper 1993).

The introduction to Tourism Satellite Account, which is a relatively new practice promoted by WTO & adopted by some countries provides a framework for analyzing tourism expenditures in a systematic & consistent way that links tourism demand expenditure to the industries that produce tourism goods & services.

India’s first Tourism Satellite Account (TSA) was undertaken in 2002-03, on behalf of the Ministry, NCAER undertook for the first time in the country to provide internationally comparable and credible estimates of tourism in the Indian economy, the development of the pilot TSA should contribute to further strengthening the national statistical system for better capturing tourism.(Bery, 2003) At the same time there are some useful approaches developed to quantify the magnitude of tourism employment.

A study conducted by FICCI on development perspective of eco and rural tourism revealed that it had the highest employment and investment ratio. Every additional investment of Rs 10 crore has the potential to generate 47.5 jobs.

Further, every direct job created in tourism leads to a creation of 77 jobs in other related sectors of the industry.
2.7.2 TOURISM EMPLOYMENT STRUCTURE AND CHARACTERISTICS

Tourism generates a very diverse range of tourism related job across the sectors. Therefore the effects are dispersed across a wide range of industries. The structure of the tourism industry is directly related to the distribution of tourist expenditures. Wanhill (1992) states that tracing the impact of tourist expenditure on the economy is the only way to calculate the total employment effects (figure 2.3).

FIGURE 2.6 EMPLOYMENT IMPACT OF TOURISM


It appears that many studies have underestimated the overall employment effects of tourism in the destination areas. This is particularly true in the developing countries due to the fact that tourism also supports a substantial amount of employment outside the formal economic sector (Cukier 1996, Farver, 1984). The informal tourism sector may be a more cost-effective means of job generation, since it requires only minimal capital investment.
Liu and Var (1982) and Milne (1990) also point out that small and informal tourism establishments tend to produce larger multiplier effects than the large, central and the affiliated, externally owned ones because the latter have weaker linkages in the local economy.

However, efforts to investigate the nature of the informal wage sector in the tourism industry remain scattered and insubstantial.

2.7.3 DIVERSE VIEWS OF TOURISM EMPLOYMENT IN THE LITERATURE

According to Edgell (1990), Smith (1995) tourism industry, is labour-intensive, can economically and effectively create high rates of employment. Countries having high population can benefit from tourism development. Smith (1995) claims that “a given level of revenue or capital investment creates many more jobs in tourism than the same level of revenue or investment in agriculture, automobile, manufacturing or petrochemicals”. Tourism being a service sector creates more jobs than the primary and secondary sectors. India is an example for the shift in the occupational distribution of employment from primary and secondary to tertiary sector. Similarly, Williams and Shaw (1988) also note that tourism is an advantageous strategy of job generation for central government because it “requires substantially less grant aid to generate jobs in tourism than in manufacturing or agriculture”.

Tourism, with its very diverse nature, serves as an ideal vehicle for economic development in a wide variety of countries, regions or communities (Theobald 1994). The contribution tourism makes to the generation of employment is the most visible and results in direct economic benefit to the host population. According to De Kadt (1979), “the most obvious and immediate benefit of tourism is the creation of jobs and the opportunity for people to increase their income and standard of living”.

Tourism, as a labour-intensive industry, is evaluated for its impact on employment. Some give recognition to the tourism industry for its contribution to the rapid increase of employment as well as the alleviation of human resource problems. Others question the value of the jobs created by the tourism industry with respect to their income and skill levels. The highly fragmented nature of tourism creates difficulties to quantify and categorise the employment effects of tourism.
The effects of tourism employment are often studied concentrating only on a few sectors that can be readily identified. Most review of jobs created by tourism makes reference only to direct employment (Mathieson and Wall 1982). Other limitations, such as the lack of disaggregated statistics or misinterpretation of tourism terms, have undoubtedly contributed to the widespread criticism of tourism jobs. In general, tourism employment is largely regarded as containing a very high incidence of part-time, seasonal and female employment (Hennessey 1997).

Thus, a typical generalization of tourism jobs is that “countries that have relatively full employment are less interested in the employment potential of expansion of tourism than those that have substantial unemployment” (UNEP, 1996).

In many developing countries tourism appears to attract labour from the land and is regarded as being more lucrative than other types of employment. Conversely, in the developed countries, participation in tourism often carries negative views that are associated with the demanding nature, low social status and unsociable work schedules of tourism jobs. There is, however, some evidence that sharply contrasts with this general belief.

Moreover, while tourism is credited with the power of generating job opportunities, the possibility of structural unemployment induced by the completion of tourism projects is another concern. As well, the migration of labour could cause an opportunity cost which is often ignored in the calculation of the economic impact of tourism (Mathieson and Wall 1982, Cooper et al. 1993).

The creation of low-paying jobs in the tourism sector in countries with relatively high rates of employment is the result of the strong pull factor of the relatively less physically demanding jobs in the tourism sector from more difficult jobs in the primary sector. This process exerts pressure on producers in the primary sector to modernize and increase capital intensity so as to permit a rising level of real wages; otherwise, the sector will lose its labour force and decline.

This could marginalize important productive activities such as agriculture and fishing and weaken the linkages of other sectors with tourism reducing the benefits derived from the tourism industry.
Liu (1998) finds out that the weak intersectoral linkages of tourism are due to the dual economic characteristic of the developing countries in which tourism and other modern industry develop side by side with traditional sectors and in the developed countries, tourism exists with other modernized industrial sectors. Thus, the intensity and productivity of labour in the tourism sector may not be comparably favoured as an instrument of economic growth, particularly when taking into account the costs of generating tourism jobs.

Although the merits of tourism employment are commonly debated, it is fairly true that tourism employment represents more vibrant effects in the developing countries as tourism offers job alternatives in the service-related economic sectors.

A marginal economic benefit of tourism, generating self-employment opportunities in the informal sector, is also vital for local people. The lower capital and skill requirements and flexible time make such tourism opportunities easy to get to, for the marginalized. In fact, job opportunities in the informal sector may provide an opportunity for the low skilled and under-educated people to gain access to employment in the formal sector (Cukier-Snow and Wall 1993).

Encouraging locally owned tourism business not only provides stronger income and employment generation qualities but also allows the local population to play a greater role in the ownership structure of the industry (Milne 1990). Moreover, as pointed out by Szivas and Riley (1999) “mobility into tourism employment is beneficial for the economy as the excess labour which moves or when the labour is more productive in tourism than it was in the previous employment”.

Lea (1997) notes that, the studies of tourism employment have dealt with a number of basic issues only, such as the effect of tourist expenditures on employment generation. But little is known about the skills required and the returns and benefits expected from the geographical distribution of employment.

The overall contribution to national, regional and local economies and the future significance of the travel industry as an employment generator is needed to be studied.
In order to gain a thorough understanding of the relationships between tourism and employment, McCloy (1975) has suggested the following research questions:

1. How many people are employed as a result of the tourism industry?
2. What types of job opportunities are available in the tourism industry?
3. What skills do people require and what returns and benefits can be expected from their employment?
4. What is the geographical distribution of this employment?
5. What capital investment is required to create this employment?
6. What is the overall economic contribution to national, regional and local economies of this employment?
7. What will be the future significance of the tourism industry as a generator of employment (in Mathieson and Wall 1982)

In the context of a less developed economy, Pruthi (2006) observes that, when evaluating the effects of tourism employment on the local population, it is important to examine:

- The ways the locals respond to the opportunities offered by the tourism industry;
- Whether tourism development can contribute to the alleviation of poverty in the host societies; and
- Whether tourism can offer significant opportunities to individual indigenous entrepreneurs.

According to Amitabh Kant, Secretary of tourism India, tourism will be promoting a responsible industry that is the employer of choice and welcomed by host communities. Human resource development holds the key to employment generation in the tourism sector. Kerala aims to establish a world standard hospitality, catering and culinary institution to develop its manpower.

WTTC India Initiative (2003) forecasts the Travel & Tourism Industry in Kerala is expected to yield directly 378,600 jobs in 2003, or 3.0 per cent of total employment. A total of 788,600 jobs (direct and indirect), or 6.2 percent of total employment are expected to be generated across the broader spectrum of the Travel & Tourism
Economy. Over the next ten years, Kerala’s Travel & Tourism Industry is expected to create 757,100 jobs while the broader Travel & Tourism Economy is expected to create 1.4 million new jobs.

### 2.8 IDENTIFYING EDUCATION AND TRAINING NEEDS FOR TOURISM IN INDIA

While tourism generates considerable job opportunities, both directly and indirectly, lack of skills and knowledge of tourism have been a major determinant that dilutes the positive economic benefits of tourism in a developing economy. Often the magnitude of employment generation is reduced to the fact that upper stratum positions require skills and expertise that the locals lack necessitating the use of migrant staff (Milne1990).

Gartner (1996) finds out “compounding the leakage problem is the provision of quality service, which is the function of the host country’s educational system”. Developing countries do not have technical expertise or education and training programs to nurture tourism industry.

Due to the lack of adequately trained personnel, a study undertaken in 1986 by the Indian Institute of Public Opinion cited the Tourism status in India. The areas identified were the need for trained manpower, transport, transport needs, performance of travel agents and all showed unsatisfactory state. (Patil 2006)

Presently out of 239 universities only about 18 are providing tourism education at Post Graduate level, about 100 colleges are running tourism as vocational course at graduate level which is much less than what is required by the industry. (Bharadwaj 2006)

Such a chronic shortage of trained local individuals has led to an unfavorable situation. According to Echtner (1995) managerial and other senior positions are filled by migrants and the low unskilled and correspondingly lower paying positions are left to the locals. As commonly applied elsewhere, migrant managers although very
expensive to hire, are brought into host destinations, which aggravates the drainage of tourist expenditures.

It should also not be forgotten that tourism, with its dependency on value added personal service creates the conditions for a range of petty entrepreneurs outside the commercial interest or competitive capacity of dominant sector firms (Burns 1993).

The fundamental issue here is whether or not the host population has a position of strength to intervene in the tourism development process or negotiate for meaningful involvement. Thus the significance of human resource planning for tourism has intense cost involved not only for the tourism’s corporate business interests but also for the host communities. (Conlin and Baum1994)

Human resource planning for tourism workforce is therefore the totality of arrangements designed to develop potential practitioners and to be aware of all the potentially diversified effects of tourism development. However some negative image attached to tourism has postponed the public and private sector’s willingness to invest in the development of tourism employment. Among these the main challenges are perhaps the lack of expression of tourism employment patterns and insensitivity to local involvement.

At the micro scale, the fact that the quality of tourism assistance relies on the human factor makes it vital to think about ways of improving the expertise of tourism workforce. However this human factor limits the planning of human resources to the establishment of professionalism in the industry. This has resulted in the frequency of speculations associated with low level remuneration, cultural adjustment, ethnic conflicts and accusations of discrimination that are commonly found in the studies of host’s participation in tourism employment.

Moreover this industrial bias is also exhibited in tourism human resources literature, which is mostly devoted to the understanding of the relationships between service quality and organizational performance, skill levels and productivity.

According to Echtner (1995) “there is increasingly an urgent need for local individuals possessing a holistic background. Echtner advocated a three categorized
approach; professional education, vocational skills and entrepreneurial development to develop tourism education in a developing country. It not only meets the needs for a qualified workforce at the managerial/supervisory levels but also helps the domestic capacity to grow and allow the local residents to play a significant role in the tourism development.

Tourism education in India is at its infancy. Tourism education system can play a vital role in the development of quality human resources. Only few studies like Chand (2002), Bansal and Gautham (2003), Bharadwaj (2006), conducted studies on tourism education system and human resource development. Tourism education is very new and there should be a system of specialization for tourism courses. A sound curriculum will develop quality, trained manpower for the tourism industry.

There are many ways to approach tourism education from geography, economics or other disciplines. Figure 2.7 shows integration of a variety of subjects and disciplines to focus upon tourism education. Different disciplines can create a specialized tourism course which can provide a new framework for tourism education.

In a populated country like India where the level of unemployment and underemployment is high tourism is seen as one of the employment generating industries. Therefore the need for identifying different sectors of tourism education will benefit the country in educating and reducing unemployment.

Tourism provides ample opportunity to all from unskilled to skilled persons. To meet the requirements of the tourism industry tourism is essential. Haywood and Maki (1992) indicated that the gap between education and industry is due to poor levels of collaboration between two groups, lack of involvement of educators in industry and industry’s role in education is poorly defined.

According to Jafari (1990) Tourism is a multidisciplinary sector and tourism study can be diversified into all the departments of education.
According to Raveendran (2005) the importance of ensuring high standards of quality and efficiency in tourism services to develop international tourism is well-recognized.
It is particularly important in the case of developing countries intending to promote tourism as an instrument for economic development. It can be achieved only by initiating specific measures for human resource development in various segments of the tourism industry. Hotels, restaurants, travel agents, tour operators and other providers of tourist services require professionally trained personnel in various trades at all levels. Taxi drivers, coach operators and other grass-roots level workers need to be training to make them skilled and amiable.

The future of tourism industry in India is definitely bright but there are several human resources challenges faced by the industry viz. lack of qualified staff at both operational and managerial levels and a huge gap between supply side inputs and demand side requirements. The goal of tourism development requires a number of human resources development (HRD) strategies aimed at the tourism industry personnel, host community and the tourists, strengthened by concepts and practices of sustainability. Sustainability based work culture, professional ethics and operational practices are basic to sustainability in tourism. Indian tourism, despite its immense potential, has seen slow development and shortcomings in the HRD area have been one of the reasons for this below par performance in terms of unorganized and untrained human resources and unattended HR issues and policies at both macro and micro level. (Srivastava 2008)

In India training in travel and tourism has been a neglected area in India. Most staff members employed by the agencies are trained on the job. There are only a few institutional arrangements for training and most are operated by the government. Private sector training institutions with varying levels of competence have been established in recent years. Training for people in the travel trade is mainly in specialized areas for certain types of activities such as winter sports, water sports, trekking and wildlife tourism. The Ministry of Tourism has set up special institutes for training in travel tourism, including the Indian Institute of Tourism and Travel Management, the National Institute of Water Sports and the Indian Institute of Skiing and Mountaineering.
2.9 SUMMARY

A study of tourism literature indicates that insufficient attention has been given to the human dimension in the tourism development process. The evolution of tourism models are helping in strengthening tourism development strategies.

According to Greenwood (1976,) jobs should have a high priority in tourism planning process. Tourism employment issues are often treated superficially by the planners (Baum1994)

Further research and actions at the country and regional levels are essential for the optimum development of the tourism sector. Regular collection of information on tourist expenditure, computation of proper input-output tables, formulation of tourism plans and policies, promotion of the private sector, development of tourism infrastructure, development of tourism products and resorts, promotion of import substitution industries and the introduction of aggressive marketing measures are major areas for research and development at the country level.

Some of the development efforts to be initiated regionally include more research on the economic impact of tourism, studies on the economic efficiency of tourism projects and the future flow of tourism, human resource development programmes and the development of regional transportation networks. (Khadka, 1996)

Tourism is generally known as one of the sectors where the outlays of a new job are significantly less than in other industries, though some researchers have come to a contrasting conclusion. Obviously, the characteristics of employment and the effects of tourism development vary according to the type of tourist activity, some types of tourism being more labour-intensive than others. Accommodation facilities and the hospitality sector in general employ a substantial proportion of the tourism labour force but they also require relatively large capital investments.

Due to the lack of a widely accepted categorization of tourist employment, together with the complexity of factors to be taken into consideration, the main contributing factors to the overall employment creation in tourism are not clearly defined. Thus one of the main purposes of research is to define the set of factors determining the
tourism employment generation and to incorporate them into a form that is able to present their respective role and their interrelationships.

There is a need to take a very serious view of human resource development in the tourism sector. Since there are many groups involved, there should be a coordination council to oversee developments. The National Human Resource Development Committee, chaired by the Secretary of Tourism, was initially set up to supervise the South Asia Integrated Human Resource Development Project.

This committee could be expanded to include representatives of the various trade and industry associations, experts, nominees from involved organizations, like the Ministry of Labor and other organizations in order to give it a broader base. This committee should be authorized to function as an empowered committee to take final views about various requirements pertaining to human resource development of the tourism sector in India.
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