CHAPTER-III
REVIEW OF LITERATURE

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- STUDIES OF ECONOMIC IMPACT
- SOCIO-CULTURAL IMPACT OF TOURISM
- IMPACT OF TOURISM ON ENVIRONMENT
INTRODUCTION

Studies on tourism in India are very few and far between, and predominantly impact oriented (Shackley, 1996; Singh, 1989; Singh and Singh, 1999; Madan and Rawat, 2000; Chaturvedi, 2002; Kuniyal, 2002; Gardner et al, 2002).

Similarly, a few research as well as general studies have been made over the years, with regard to the socio-economic and cultural impact of the tourism industry in the world and India in particular. The researcher has made an effort to review some of the important works having a great bearing on the present study.


The books, research papers and articles relating to the present study have been reviewed separately in the succeeding pages.

STUDIES ON ECONOMIC IMPACT

Tourism is a multi-faceted economic asset. Tourism attraction is a good economic resource gifted to the people either by nature or by forefathers (M. Selvam, 1989)\(^8\). It is characterized by the existence of a large number of very small businesses that support and are ancillary to the industry. The receipts from tourism quickly filter down to an extremely broad crosssection of the population, so that the entire community shares the economic benefits of tourism (Robert W. McIntosh, and Charles, R. Geoldner, 1999)\(^9\). In the case of foreign or domestic tourism, the money earned in places of normal residence is spent in places visited. The outstanding economic effect of tourism lies in the purchasing power generated in the receiving areas through the expenditure of visitors. The flow of money generated by tourists' expenditure finds its ways into the overall economy through the effects of multiplier (Nirmal Kumar, 1996)\(^10\).

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The size of the multiplier is an important component of the economic benefit of tourism to the community, because this reflects how many times the impact of each tourist's money goes around the local system before disappearing entirely through the various leakage channels (R.K. Malhotra, 1998). The tourists visiting a country or a region generate additional demand for goods and services. Additional Output, Value Added and Employment are thus generated in the direct recipient sectors of tourist expenditure.

In a study on the socio-economic and eco-environmental impact of tourism in the developing countries by Jag Mohan Negi (1990), it is highlighted that tourism is an economic and industrial activity in which many individuals, firms, corporations, organizations, and associations are engaged and is of direct concern to many others. It is economically important as it provides a source of income, it provides employment, it brings in infrastructural improvements and it may help in regional development.


Tourism as an Industry

Tourism is considered as "Hospitality Industry" as a part and parcel of "Recreation Economics", a recently developing sophisticated branch of "Applied Economics". Indeed, it is considered and recognized as a tertiary/service sector of production (Javaid Akhtar, 1990). In keeping with the general trend the world over in economic development, the contribution of the services sector to India's GDP has been growing. The service sector remained the principal driver of the Indian economy, contributing 57.0 per cent of the growth of real GDP in 2003-04. (RBI Bulletin, June 2004).

S.D. Naik (1991) in his article on 'Belied Expectations, Missed Opportunities' argued that tourism is one of the world's fastest growing industries today and that its role in accelerating the economic development of a country is widely recognized. There are many forward linkages between tourism and the generation of the employment opportunities as a result of the demand for various products. As an activity which can earn much needed foreign exchange for the country and provide employment opportunities to a large number of people, tourism promotion has assumed an added significance for India.


In the Seventh Five-year Plan (1986-1990), tourism was finally conceived of as an industry to be included in the national development objective.

S.M Jha, (1994)\textsuperscript{16} presents tourism as an industry of which products are consumed on the spot, forming invisible exports. It is not a single industry, indeed, it is a multi-segment industry. Tourism envelops various other industries such as the airlines, rail, accommodation and food services. It involves wholesalers, retailers and attractions as well as a range of public services. It is an industry with no clear boundaries.

P.C. Sinha, (1999)\textsuperscript{17} in his book titled 'Tourism Evolution, scope, nature and organization', presents the tourist industry as an industry concerned with movement. It is a combination of recreation and business. The tourism process combines a demand (tourist), suppliers (tourist industry), and a product (attractions) which has summarized as the subject, means and object of tourism.

**Tourism and National Income**

Tourism gives impetus to national income. International tourism and domestic tourism both have the same effect on national income, as both, national and foreign tourism together create national income.


Factors Effecting Tourism Earnings

Many factors, both micro and macro, influence the tourism earnings of a country. Some of the important factors are,

- The total tourist arrivals
- The average of days spent in the host country
- The percentage of high spending category of tourists to total tourist arrivals
- The average per capita tourist pending.
- The percentages of package tourist to total visitor’s arrivals.

Tourism and Income Multiplier

Tourism brings revenue to the government in many forms. Selvam M (1989)\textsuperscript{18} highlighted the contribution of the tourism sector in generating revenue to the state. The revenue to the government accrues in the form of service tax, expenditure tax and the indirect tax from the tourism sector.

Foreign exchange earnings of tourism have been remarkable, in case, where foreign visitors’ arrival is increasing over the years. The significance of the tourism sector in earning foreign exchange for the developing countries has also been high (Chaudhary 1997)\textsuperscript{19}.

\begin{center}
\end{center}
Promotion of tourism and the related activities can earn foreign exchange which in turn adds to the national income of any country.

(Batia A.K., 1998)\(^{20}\).

The following facts would convince the importance of tourism in foreign trade\(^{21}\).

- International tourists' traffic in 2002 was over 650 million which generated receipts of about $450 billion.
- It is estimated that tourism accounts for about 8 per cent of the total world exports and more than 30 per cent of international trade in services.
- It is also estimated that travel and tourism provides employment to 212 million people directly or indirectly accounting for about 10.7 per cent of the global work force.
- As per the data of World Tourism Organization, every 9th person is engaged in the travel and tourism industry for livelihood. There has been a global tourism boom in recent times. World tourism has been performing better than world trade.

Tourism receipts have registered a higher growth than that of world export in services and merchandise exports.

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The world tourist traffic increased by over 3.0 per cent during 2003 and the regions which benefited the most were Africa with an increase of 9.2 per cent and South Asia with a growth of about 4.9 per cent.

- It is projected that the international tourist traffic will increase to about 1602 million by registering a growth of about 4.3 per cent during the period up to 2020.
- The South Asia region including India is expected to record a high growth of 6.1 per cent.

In 2004, global tourism boomed in line with the economic recovery.

- In Asia, recovering from the SARS induced slump of 2003, the growth was unprecedented.
- Though Europe still remains far ahead both in terms of tourist arrivals and earnings, Asia was fast catching up. Preliminary data for 2004 shows the Asia-Pacific region registered a 37 per cent rise in tourist arrivals.
- North America reversed the negative growth of three successive years, but is estimated to have grown by a relatively modest 12.0 per cent Europe’s growth of 6.0 per cent, though above its usual average is much lower than Asia.
The money spent by tourists while purchasing tourist goods can’t be ignored as a small income. They spend lot of money on many items such as boarding and lodging, transportation and on purchase of tourist goods. For each and everything they have to pay taxes as water tax and electricity charges. Some are indirect and some are direct taxes. Due to these taxes, the national income increases. Tourists also contribute to tax revenue both directly and indirectly through property, profits and income taxes\textsuperscript{22}.

A very useful review of tourism contribution to state revenues is given in World Trade Organization (WTO-1983) Report\textsuperscript{23}, which outlines the different fiscal regions of a range of developed, and developing countries and variations in tax revenues. A more recent study of overall costs and benefits in Shri Lanka indicated that, every rupee spent by the government on tourism both directly and indirectly resulted in a revenue yield of \textcurrency{Rs}.1.67, leaving a net benefit of 67.0 per cent to the government (Attanayake et al., 1983, p335)\textsuperscript{24}.

\textsuperscript{22} Jayapalan N (2001): “An Introduction to Tourism”, Atlantic Publication, New Delhi, p 153

\textsuperscript{23} WTO (1983): Report

\textsuperscript{24} Attanayake et al., (1983), p.335
Hall M.C. and Stephen Page (2000)\textsuperscript{25} studied the impact of tourism and the economic benefits of tourism and concluded that the importance of tourism rested in its capacity to generate foreign exchange.

Apart from this direct impact, additional output and employment are also generated in other sectors of the economy due to inter-industry relationship. These are known as indirect impact. An increase in value added and employment imply additional income to factors of production. This induces further demand for various goods and services, which is known as induced impact. These impacts/effects give rise to 'Multipliers' as shown in Figure 3.1.

\textbf{Table-3.1}

\begin{center}
\begin{tabular}{|c|c|c|}
\hline
 & Output Multiplier & Income Multiplier \\
\hline
Simple Multiplier & 2.03 & 0.91 \\
\hline
Total Multiplier & 5.49 & 2.87 \\
\hline
\end{tabular}
\end{center}


In a study on the socio-economic and eco-environmental impact of tourism in the developing countries by Jag Mohan Negi (1990)\textsuperscript{26}, it is highlighted that tourism is an economic and industrial activity in which many individuals, firms, corporations, organizations, and associations are engaged and is of direct concern to many others.

It is economically important as it provides a source of income, it provides employment, it brings in infrastructural improvements and it may help in regional development.

Tourism and Employment Creation

Tourism creates employment opportunity directly or indirectly. It also creates induced employment through various activities around its development. By creating employment opportunities, tourism contributes significantly for the national development of low developed, labour abundant countries. D'Souza (1998)\textsuperscript{27} analyzed the significance of tourism in the economic development of a country. According to the study, tourism is a highly labour intensive industry, which has the potential to generate employment. This is more important, when traditional and core sectors of the economy are not sufficiently generating employment opportunities to the growing labour forces.

The employment impact of capital investment in tourism is so strong that no developing country can afford to ignore the tourism industry. Tourism has a very positive capital-labour ratio. An investment of one million rupees (at 1985-1986 prices) would create 89 jobs in the hotel and restaurant industry, compared to 44.7 jobs in agriculture and 12.6 jobs in manufacturing industries.

The average for the whole tourism industry is 47.5 jobs for an investment of one million rupees (Khanna, 1999). This indicates the labour intensive nature of jobs created by the tourism and related activities.

A comparison of labour/capital ratios in different economic sectors is shown in table-3.2.

Table- 3.2
Labor-capital ratios by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Labour /Capital Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>44.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12.6</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>2.06</td>
</tr>
<tr>
<td>Railways</td>
<td>0.9</td>
</tr>
<tr>
<td>Other Transport</td>
<td>13.8</td>
</tr>
<tr>
<td>Hotels and Restaurants</td>
<td>89.0</td>
</tr>
<tr>
<td>Tourism</td>
<td>47.5</td>
</tr>
</tbody>
</table>

Source: Annual Plan 1996-97, Department of Tourism G.O.I at www.uniscap.org

Tourism generates,
- Direct employment resulting from visitor expenditure in tourist services;
- Indirect employment in the tourist sector, not resulting directly from visitor expenditure, and
- Induced employment resulting from the effect of tourism multiplier. (Malthieson and Wall, 1982)²⁹.

Forecasts of direct employment in the tourism sector stress its importance as an economic activity, as summarized in Table 3.3.

### Table-3.3
Forecast of direct employment in the tourism sector during the Ninth Plan Period

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment Generation (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trend Estimate</td>
</tr>
<tr>
<td>1998-1999</td>
<td>10.81</td>
</tr>
<tr>
<td>1999-2000</td>
<td>11.77</td>
</tr>
<tr>
<td>2000-2001</td>
<td>12.80</td>
</tr>
</tbody>
</table>


The employment multiplier for the leisure industry is 2.36 i.e., a direct employment of one person in tourism creates jobs for 1.36 persons in other sectors of economy (Department of Tourism, Government of Karnataka: 2005). According to WTO and WTTC, tourism generates almost 212 million jobs (direct and indirect) accounting for 10.7 per cent of the global workforce (GOI, Department of Tourism: 2004). As per the estimates of the department of tourism of the government of India, tourism sector currently employs 4.1 crore persons, 2.4 crore directly and 1.7 crore indirectly.

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Tourism has also become an instrument for sustainable human development with the aim to alleviate poverty, regenerate the environment, create jobs in remote areas and help in the advancement of women and other disadvantaged groups. Therefore, tourism not only speeds up economic growth but also brings about greater economic development i.e., economic growth with equity.

Chawla (1999) observed that tourism related services generate income to the host country. In addition to stimulating the investment, it is necessary to finance growth in other sectors of the economy. Tourism development drives other associated sectors of the economy upward resulting in a multiplier effect in terms of employment and income generation. This would be more relevant in low developed countries, where improving the standard of living of people is the main aim of development. Dhan P.N (2000) identified tourism as an important component of the tertiary activity. It has been seen that the economic growth resulting from the planned development of the tourism sector (which is an important aspect of tertiary activity) can progressively contribute towards raising the living standards of the residents of any country.


The most obvious and immediate benefit of tourism is the creation of jobs and the opportunity for the people to increase the income and thereby the standard of living. The employment and income effects of tourism are closely related to tourism expenditure\textsuperscript{33}. However, it is difficult to measure these effects quantitatively because the activities connected with tourism are largely disorganized.

Tourism is labour-oriented and provides employment several times more than the normal manufacturing industries. Several types of business firms, such as hotels, motels, restaurants, travel agents, tour operators, gift shops, transporters etc. earn bulk of the tourist dollars.

The employment potential of tourism compared with other industries has been criticized on several grounds\textsuperscript{34}.

- That much of the potential is seasonal.
- The inhabitants are, in fact relegated to inferior, menial positions – low paying jobs.
- Insufficient workers with specific technical and managerial skills:
- Outsiders are attracted in by high wages and the opportunity to live and work in pleasant surroundings.


• None of the technological progress achieved has succeeded in rendering the human factor less indispensable in this sector.

Tourism sector is more effective in generating employment and income vis-à-vis other sectors particularly in the less developed countries, where alternatives for employment are limited (Zulf Kar M. 1998). He is of the opinion that tourism can make a significant impact in the less developed countries in generating employment. This is more significant in such economy, where labor force increase is more than the employment opportunity created by the core sectors of the economy.

Tourism is a labour intensive activity creating direct, indirect and induced employment. Seth P.N. and Seth S. (1988) observed the labor intensive aspect of the tourism industry and its potential to generate several jobs, thereby raising the economic activity in the host cities, states and countries.

When other sectors fail to absorb labor force, expansion of new sectors would help to employ the increasing labor force. Mohanthi P (1992) highlighted the danger of high technology in reducing the human employment in the manufacturing and allied sectors and the superiority of the tourism industry in generating human employment which largely depends on people and their personalized service.


Employment generation in the tourism sector would create job opportunities to the local labour force in different ways. This would enhance their purchasing power and local development may result in a balanced manner. Narasaiah M.L. (2003)\textsuperscript{38} in his work stated that tourism could generate local cash income in the form of wages from formal employment, earnings from selling food and eatables, crafts etc. Income can also be generated at the tourism places in the form of profits from a community run enterprise. This in turn links the local economic process to the economic cycle in the macro level.

Tourism is an important activity in the tertiary sector having a multiplier effect on the economy, cycling to network several associated activities including infrastructure and small enterprises. Sinha P.C. (1998)\textsuperscript{39} studied the impact of economic cycles and the related issues on various industries. He is of the opinion that tourism sector being service oriented and labour intensive is an important source of labour employment.

In the micro level also, they generate employment and income, even for the unskilled and handicapped labour force. Small enterprises will gain more scope in the tourism spot; wherein local people will be involved to enhance their income. Jha S.M. (1994)\textsuperscript{40} analyzed the various dimensions of the tourism sector in general and the potential of the tourism industry in generating income and employment in particular.

\textsuperscript{38} Narasaiah M.L. (2003): op.cit.


\textsuperscript{40} S.M Jha. (1994) "Services Marketing", (HPH) p. 80
Of course the nature of demand for the labour force in the tourism sector is determined by several factors and varies across different tourism products. Tribe J (1999)\textsuperscript{41} studied the nature of demand for labour in the leisure and tourism sector. According to the study the employment in the leisure and tourism sector is related to the expenditure on goods and services provided by this sector and in turn the demand for labour is a derived demand.

Tourism industry may generate employment opportunities in the economy both for skilled and unskilled labour force. Jha S.M. (1994)\textsuperscript{42} studied the different effects of tourism on economic development. The study revealed that tourism sector can provide employment not only to the skilled and semiskilled people but also to the unskilled labourers.

Employment generation in the tourism sector may be viewed in terms of direct and indirect contributions. Sinha P.C. (1999)\textsuperscript{43} analyzed the direct and indirect contribution of the tourism sector in generating employment. Further the study reveals the aspects of induced employment generated by the tourism sector. Tourism industry induces various sectors of the economy in generating employment opportunities; besides, it creates employment opportunities.

Tourists spend their money on a wide variety of goods and services. They purchase accommodation, food and beverage, transport, communications and entertainment services, goods from retail outlets,


\textsuperscript{42} Jha S.M. (1994): op.cit

travel services, to name just a few. This money may be seen as an injection of demand into the host economy, i.e. the demand which would otherwise not be present. However, the value of tourist expenditure represents only a political picture of economic impact. The full assessment of economic impact may have to take into account other aspects, including the following:

- Indirect and induced effects.
- Leakage of expenditure amount of the local economy.
- Displacement and opportunity cost.

Tourism has also become an instrument for sustainable human development with the aim to alleviate poverty, regenerate the environment, create jobs in remote areas and help in the advancement of women and other disadvantaged groups. Therefore, tourism not only speeds up economic growth but also brings about greater economic development i.e., economic growth with equity.

Tourism and Development of Infrastructure

Tourism is associated with various infrastructural facilities including travel arrangements, accommodation, hotels, drinking water facilities, electricity and such others. All these facilities again create employment and generate income in a given region. They induce many other related activities like construction and maintenance activities.

Ajay Suneja (2006) presented that lack of good infrastructure is a major factor that hampered the growth of tourism industry. Insufficient aviation seating capacity, bad road, rail and air travel infrastructure,

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inadequate affordable hotel accommodations and a high level of taxation are some of the problems in the tourism development.

The book on **Tourism towards 21st Century** by Sunil Guptha presented different parameters for monitoring economic impact and impact on overall development through tourism. These are presented below:

<table>
<thead>
<tr>
<th>Parameters for monitoring economic impact</th>
<th>Parameters for monitoring overall development</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contribution to cash income and livelihood options among households</td>
<td>• State of accessibility to the area – transport and communication</td>
</tr>
<tr>
<td>• Land ownership</td>
<td>• Availability and quality of basic services (health centers, drinking water)</td>
</tr>
<tr>
<td>• Asset formation in the area in terms of new constructions</td>
<td>• General level of literacy</td>
</tr>
<tr>
<td>• Wage rates relative to price increases</td>
<td>• State and vitality of local institutions</td>
</tr>
<tr>
<td>• Shortages of essential items</td>
<td>• Extent of human resource development</td>
</tr>
<tr>
<td>• Prevalence of child labour</td>
<td>• General enthusiasm in development</td>
</tr>
<tr>
<td>• Re-investment of tourism earnings in the locality</td>
<td>• Relative change in the condition of the household.</td>
</tr>
<tr>
<td>• Qualitative perception of linkages within the production sectors</td>
<td></td>
</tr>
</tbody>
</table>

Tourism and Regional Development

United Nations conference on “International Travel and Tourism" held in Rome in 1963, noted that tourism was important not as a source of foreign exchange, but also as a factor in the location of industry and in the development of less developed regions. Many of the backward regions contain areas of high scenic beauty and of cultural attractions. These areas if developed can bring a lot of prosperity to the local people.

Tourism has contributed to the development of backward areas and regions in both the developed and developing countries. It has led to the development and expansion of rural tourism. In some cases, tourism can help to reduce the resident population to remain in the area and reduce migratory flows.


SOCIO-CULTURAL IMPACT OF TOURISM

Tourism has emerged as an important socio-economic activity. It is a leading 21st century service sector economic driver, a unique vehicle for socio-cultural development and an instrument for environment improvement.

Tourism is a social activity being an interaction between different communities-hosts and guests and encounter between different cultures. The World Tourism Conference held at Manila, Philippines in October, 1980 considered the nature of tourism phenomenon in all its aspects. The Manila Declaration states that, "Tourism is considered an activity essential to the life of nations because of its direct effects on the social, cultural, educational and economic sectors of national societies and their international relations" (P.C. Sinha, 1999)\(^48\). The conference was also convinced that world tourism can be a vital force for world peace and can provide the moral and intellectual basis for international understanding and interdependence. F. Brown (1998)\(^49\) presents that tourism is not just a matter of national growth, but must be conceptualized as a part of international relations and a major facilitator of world peace.

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Travel and Tourism has become one of the greatest forces for peace and understanding (D' Amore, 1988; Holland, 1991; Mac Donald, 1993; Khamouna and Seiger, 1995; and McIntosh, Goeldner and Ritchie, 1995). The guest-host encounters in tourism destinations enable to better understand and appreciate the culture, history, geography, social, educational and economic systems in other countries and societies (Charles Kaiser Jr, and Larry E. Helber, 1978; Mathieson and wall, 1982; Lickorish and Jenkins, 1997).


In creating a better appreciation of other people’s way of life and institutions, tourism creates goodwill for the country (Burkart, A.J. and Medlik, S. 1974) 58.

Countries like India, with her diversity, languages, religions and races, find domestic tourism a major instrument of national unity and integration. The National Committee on Tourism (1988) 59 observed that “the domestic tourism can serve as an effective instrument for national integration. No other activity has the potential for breaking barriers of caste and creed, motivating linguistic groups to communicate with one another and promote inter-regional understanding through tourists’ visits. A citizen can see for himself the different streams of civilization, inter-mingle with one another and appreciate unity in the diversity of the country”. The domestic tourism was successful in yielding the envisaged benefits, namely, formation of national identity, social integration, societal and individual well-being and progress, strengthening of human values through ethics, affirmation of and respect for man-environment synergy and principles of living and life style (Shalini Singh, 2004) 60.


60. Shalini Singh (2004): “Indian Domestic Tourism: Chaos/Crisis/Challenge?” Tourism Recreation Journal, 29 (2), pp. 35-
Development means change and is generally associated with the progressive improvement of economic, social and environmental conditions in a country or community (Jenkins, 1991; Aronsson, 1994; and Wall, 1997). The emergence of developmental paradigms in the post-war era, viz., modernization, following the western model; dependency, characterized by protectionism especially from the developed world; evolution of neo-classical counter-revolution, emphasizing privatization and free market; and globalization, have worsened the economic conditions in poor countries.

The tendency to ignore development at grass-roots level and to take the environment for granted resulted in a plethora of problems, such as environmental destruction, poverty, inequalities and conflicts. Emergence of alternative development, placing emphasis on satisfying basic needs and local involvement was a response to the problems created by


the earlier forms of development. Tourism is one of such alternative development strategies available to the poorer countries (K J. Jithendran, 2002).\textsuperscript{64}

Tourism acts as a parameter of development of backward resource poor areas. The tourism potential of marginal regions like natural beauty, cultural attractions, un-spoilt environment, rural life etc. help in redressing regional imbalance of development and employment. It is also instrumental in protecting and revitalizing traditional arts and crafts and thus raising the standard of living of the impoverished artisans of the country. This is of particular importance in not only alleviating problems of rural poverty and its impact on environment, but also in ensuring socio-economic development of communities, which would be vital in reducing ethnic tensions. Many wildlife areas, historical monuments and conservation projects all over the world have been able to survive with the support and active interest of the tourism industry.

Thus, tourism has the potential to be an agent of development, peace and environmental protection. And these perceived benefits of tourism have led nations and communities to develop tourism as an easy solution for their development problems, especially in the developing countries (Mathieson and Wall, 1982\textsuperscript{65}, Butler R.W, 1991\textsuperscript{66}). Tourism is a great experience for all ages and is a great educator. On the whole, tourism promotes sustainable human development.

**Social Impacts of Tourism on Developing Nations**

In most tourism areas the majority of jobs, particularly the unskilled ones, will be filled by women and young people, many of whom are earning money for the first time. This can cause conflict in traditional societies where parent and/or husband have always held more power or status. They sometimes find it hard to accept the fact that family members have both economic independence and exposure to new and threatening ideas.

\textsuperscript{65} Mathieson, A and Wall G,(1982): "Tourism: Economic, Physical and Social Impacts". Harlow: Longman

Studies have shown this to be the case in areas like Malta, Cyprus, and the Seychelles\textsuperscript{67}.

In many countries, especially those limited in size, the local population has been displaced by tourism developments that are often built in the more scenic areas (i.e. a type of competition for resources). Migration could occur because of the razing of a squatter town site to build a resort or the flooding by tourists of a beach formerly used by fishermen, and as a result family and economic patterns can be broken. Examples of this occurred in Western Mexico when resorts such as Lxtapa and Zihuatanejo were developed in the seventies on the sites of small undeveloped villages (de Kadt 1979a)\textsuperscript{68}. The opposite phenomenon can also occur. In Cancun, in the Yucatan, the pattern of migrations towards the development rather than away, and many of the people working in the hotels are probably earning their first salaries. Labour force migration can therefore have both positive and negative effects. In undeveloped regions it can mean paid employment; in urban areas, such as Acapulco, it can lead to further crowding, higher rates of unemployment, and the growth of slums.

The development of tourism on a large scale can sometimes help to shift political and economic power from traditional groups to new elite of businessmen who own the resources needed by the industry.

\textsuperscript{67} Alen Lew et.al(2004) “ A Comparison of Tourism” Blackwell publishing house USA, UK.

\textsuperscript{68} de Kadtt (1979): op. cit
Tourism growth can also lead to development of previously economically depressed regions, such as Mexico's Yucatan and certain Caribbean islands. This can have beneficial economic and social impacts, or can lead to splits in national unity as one region gets precedence over another in terms of resource allocation (de Kadt 1979; Cleverdon 1979; Butler 1975).68

Many people in tourism destination areas believe that tourism will bring in or help facilitate undesirable activities, such as gambling, drug trafficking, and prostitution, which will result in changes in the local system of sexual values (Young 1973).69

Another potential impact of tourism is that art, ceremonies and rituals, music, and traditions can become marketable commodities and lose relevance to the local people.

On the more positive side, however, the tourist industry is also credited with helping to revive or preserve the cultural heritage of a destination area—monuments, ceremonies, arts and crafts, and traditions which otherwise might have been forgotten or died out. A sense of inferiority can be alleviated and a sense of pride in one's country promoted as tourists seek things not found elsewhere.


de Kadt Eds. (1979): "Tourism: Passport to Development". Oxford University Press

Cleverdon G (1979):

Tourism is considered as a prime means of developing social and cultural understanding among the people. The interaction of a large number of people with the local people of the country visited results in increasing friendships.

There is a mingling of culture and tourism which helps in breaking down prejudices, barriers and suspicions that exists between populations of the nation. Social phenomenon has also influenced tourism because of increase in longevity of individuals. In a portion of people who were leading retired life, doing work has actively increased. Thus old people have utilized leisure to its fullest extent.

Tourism contributes to the mutual knowledge of men and to the development of social classes and the human races. It overcomes the isolation of people by encouraging them to varnish in auspicious prejudices through the encounter of civilization and culture, broadening the vision and acceptability for closer ties and mutual understanding a socio-economic cultural interaction.

The growth of international tourism has led to heritage being packaged as just another part of the tourism product. Heritage tourism can also lead to heritage sites losing some of their original purpose, particularly in the eyes of visitors.

71. Ibid
Tourism has wider implications encompassing not only economic benefits but social and cultural transformations as well. From the social and cultural point of view, there is enough evidence to support the fact that tourism produces an interaction between the cultural customs of the visitors and the host population. In view of this the socio-cultural impact of tourism is identified as the most common theme in the review of tourism research.

Tourism mobilizes powerful social dreams and desires as the currency in which it trades, by offering dream holidays, romance, and paradise on earth and so on (Krippendorf-1987).74

Studying regional cultures has tended to position tourism as a problem, as something that homogenizes local culture is eroding to diminish original cultures and reducing global differences. (Hannerz-1996)75. The production of tourism takes place through its consumption. It means that tourism is performed rather than simply a series of products which are created and subsequently consumed. (Edensor-1998)76.


In addition, there is a 'demonstration effect', which occurs when the presence of a large number of tourists encourages consumption patterns, which are inappropriate for the population as a whole. This can range from demands for expensive food imports, entertainments activities like gambling, whose introduction often coincides with new tourist developments. Finally, there is the pervasive influence of neo-colonialism.

International tourism follows the well-established trading and political connections of former colonial empires and is seen by some as evidence that imperialism persists. These resentments are there because of ever-present, reminders of foreign culture and former political and economic subjugation.

Tourism studies reveal that tourism is closely related to increases in the sale of sex (prostitution), crime of various kinds, and of organized gambling. The very recent threat of AIDS as an incurable sexually transmitted disease will have important implications for the popularity of some tourist destinations like Thailand. With respect to crime and gambling, there is plenty of evidence in the developed countries of a direct relationship between tourism and increases in crime.

Tourism has the dual effect of promoting health care in third world destinations but in addition, acts as a vehicle to spread some forms of disease. The other social impacts are resentment towards tourist in overused areas and overcrowding and congestion due to mass tourism. Tourism has many positive social impacts also like increased communication with people, improving the self image of the community, growing variety of employment opportunities, educational opportunities, motivation for learning, modernization of the infrastructure.
and promotion of urbanization. The increasing presence of international tourists is an important element in the process of acculturation, whereby people in contact borrow from each other's cultural heritage. Cross-cultural contact arising from tourism is thought to be a function of at least three factors. The first is the type of tourist. Different categories of tourists are reflected in expected differences in their kinds of interaction with local people. Second is the context in which the contact takes place. Things, such as length of stay, the environment under which the contact occurs and language ability will help to determine the depth of communication which takes place. Finally, there is the role of cultural brokers, who are people such as interpreters and tour guides, through whom much of the contact occurs.

The other most obvious signs of cultural reawakening or deterioration are to be found in the state of traditional art forms. The growth of tourist handicrafts has stimulated local production in both positive and negative directions. Positive influence may be found in the financial success of traditional art. On the other hand, the sheer pressure caused by a ready market for handicrafts has also lead to a fall in the quality of workmanship and the manufacture of cheap imitations known as 'airport art'. Traditional designs are degraded in this way and old skills lost. Modern tourism markets its products as a commodity, part of which consists of promoting the cultural attractions of holidaying in an exotic environment. Although this process is criticized for cheapening cultural events such as religious ceremonies, it is also responsible for the flow of funds into many local activities.
Consumption in the cultural form has emerged to acknowledge the importance of culture in ensuring consumption, through which leisure and tourism have become significant, (Featherstone 1987)77. Leisure and tourism consumption serves as an arena for social differentiation and expression of identity (Miller -1995)78.

In case of event tourism, contacts among tourists resulting in socio cultural impact are also researched. The first land mark study of event impacts examined how residents were affected in their homes and while conducting their normal business. Accident rates were analyzed. Delamere (2001)79 has developed a scale to measure attitudes toward the social impacts of community festivals. The study noticed that cultural and ritual programmes of festival attract tourists to decide repetitive visits.

The demographic features like levels of population growth, its development, distribution and density generally influence travel propensity. The population growth and development of a country can be strictly identified with the stages of economic growth, discussed in economic influences. The distribution of population between rural and urban areas as an influencing variable of travel propensity is comparatively more significant than density of population.

Many studies of the social and cultural impact of tourist development were initially framed in terms of social and cultural costs but subsequent research has tended to be more balanced, acknowledging also the advantages and disadvantages which the expansion of tourism can bring to different societies and communities. A prime consideration in examining the social and cultural impact of tourist development is the nature and composition of the various groups involved and the relationships between these. The basic dichotomy of 'hosts and guests', popularized by the comprehensive anthropological volume of that name is generally accepted, though Jafari\(^{80}\) has proposed a tripartite cultural division and distinguishes between the broader imported culture associated with the guests and a more specific 'tourist culture' which 'refers to a way of life practiced by tourists while traveling'. Tourists have been classified in different ways and variously segmented by market researchers but Smith's\(^{81}\) typology is particularly relevant for social/cultural impact studies. According to the difference between the visitors and the visited, whether in terms of numbers, race, culture or social outlook, demographic, social, ethnic and linguistic differences may also exist within the host population, certain sections of which may participate in or be affected by tourist development more than others.

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It is also noted that the effects of tourism may be felt not only in the tourist centers but also in the neighboring non-tourist towns and in generating areas\(^{82}\). Again, it is important to identify what particular groups or segments of society are experiencing what specific effects of tourist development. The social impact of tourism will vary. Loundgren\(^{83}\) observes that in general 'the force of tourist-generated local impact seems to increase with distance from the generating country'. This implies that the cultural impact of tourism is determined by the spatial distribution of tourists.

The book on 'Tourism Towards 21st Century' by Sunil Gupta (2001) presents different parameters for monitoring socio-cultural impacts. They are,

- Demographic changes
- Social mobility
- Social cohesion, attitudes and values
- Practice of cultural traditions and rituals
- Cultural heritage
- Law, order and security

A paradox of tourism, however, is that the industry carries within it the seeds of its own destruction. Successful development of a resource or amenity can lead to the destruction of those very qualities which

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82. Fagence, M (2000): “Ethnic Tourism in Developed countries: Special Interest or Specialized mass Tourism?” Tourism recreation research 25(2), 77-87
attracted visitors in the first place. The development of tourism is occasionally undertaken in such haste and without proper planning that it simply outstrips the local infrastructure and resource base, resulting in unexpected costs which further reduce its overall economic benefit to the community. Sometimes the tourists themselves are the prime cause of environmental damage although the destruction is usually unintended because most visitors come to admire a scene or event and the businessman’s prosperity depends on an amenity’s survival. Sochor (1976) reports that more than 300 mountaineering expeditions since 1949 have caused widespread deforestation, pasture destruction and serious accumulation of litter on the slopes of Mt. Everest and other peaks in the Himalayas. In view of this the Government of Nepal has recently announced that no visitors shall be allowed to conquer the Mount Everest after 1985.

Growth of tourism industry to a large extent depends on environment, and tourism without planning will have a negative impact on environment. Cohen. E (1978)\textsuperscript{84} tends to view the option in terms of opposing alternatives-'protecting the environment' for tourism and from tourism and perhaps here lies the truth we are searching for. But an unfortunate fact about tourism is that it has a tendency to breed like cancer, using the environment to the extent of using it-up. However, proper planning requires minimum reliable data on the resources, nature of recreation resources and then the type of resource use or the likely users.

Turner Ash (1975)85, Smith (1977)86 and de Kadt (1979)87 present a generally depressing picture of tourism’s impact, citing changed cultural values and the decay of native languages and customs. It was observed that the problem is particularly serious for the ethnic tourist who is in search of unspoiled natives in their natural surroundings. Their very presence will destroy the authenticity of the moment and setting because they are intruders.

These negative social and cultural experiences occurred not only in third world countries where the contrasts between native hosts and the invading tourist hordes have been extreme, but it has also happened within the industrialized nations themselves.

Role conflicts and social problems have arisen in areas of Hawaii, Scotland and the French Alps. Women and teenagers employed by the tourist industry started earning greater incomes than the men employed in traditional agriculture; the men lost pride in their new roles as waiters and dishwashers.

However, it is important to note that these are the potential intangible benefits of tourism. If not handled properly they can become a liability and create a negative impact. Therefore, it is essential that we properly encash the opportunities by developing tourism in a planned manner. Tourism, on the whole, should provide a positive and pleasant experience to the tourists. Happy and pleased tourists are likely to repeat their visits or direct others, which in turn will increase tourism activity. Only then our country's dream as Jawaharlal Nehru said, "Welcome a tourist and send back a friend" can be realized. However, human resource has an important role to play in developing and managing tourism in a sustainable manner, and its development needs to be given more importance as a strategy for sustainability in tourism (K. L. Jithendran, 2002)88.

Social and cultural impact of tourism is given in table -3.4 89


Table 3.4
Social Impacts of Tourism

<table>
<thead>
<tr>
<th>Tourist-host interactions</th>
<th>Social Impacts</th>
<th>Cultural Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass-tourism individual explorers</td>
<td>Increased communication with other people</td>
<td>Cultural communications</td>
</tr>
<tr>
<td></td>
<td>Improved self image of community</td>
<td>Physical products</td>
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<tr>
<td></td>
<td>Growing variety of employment opportunities</td>
<td>Non-material custom</td>
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<td></td>
<td>Educational opportunities</td>
<td>Preservation of cultural monuments and ruins.</td>
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<td></td>
<td>Motivation for learning</td>
<td>Rediscovery of lost traditions.</td>
</tr>
<tr>
<td></td>
<td>Modernization of the infrastructure</td>
<td>Spread of knowledge and understanding for other cultures.</td>
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<tr>
<td></td>
<td>Promotion of Third World Urbanization</td>
<td>Cultural revival.</td>
</tr>
<tr>
<td>Social change</td>
<td>Training New craftsmen</td>
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<tr>
<td>Loss of moral</td>
<td>Contact with outside world</td>
<td></td>
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<tr>
<td>Prostitution</td>
<td>Loss of cultural identity</td>
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<tr>
<td>Crime and Gambling</td>
<td>Selling art through antiques business</td>
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<tr>
<td>Language</td>
<td>Commercialization of traditions</td>
<td></td>
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<tr>
<td>Health</td>
<td>Degradation of cultural goods to commercial goods.</td>
<td></td>
</tr>
<tr>
<td>Religion</td>
<td>Superimposition of foreign culture</td>
<td></td>
</tr>
</tbody>
</table>

- Imagination of Western culture.
- Resentment towards the tourists in over used areas.
- Overcrowding and congestion due to mass tourism.

Tourism can generate some socio-cultural problems if not well planned, developed and managed. A common problem is overcrowding by tourists and loss of convenience for residents, which leads to their resentment and a sense of hostility toward tourism. If there are too many tourists in an area — which can happen particularly at peak season periods — attraction and features, and restaurant, shopping and transportation facilities can become so overcrowded by tourists that residents cannot easily use them. If residents are completely prohibited from access to amenity features such as hotel beaches, they may become even more resentful. Large numbers of tourists can be especially disruptive in small rural communities. Resentment particularly arises if residents perceive that they are not receiving many economic benefits from tourism, and that tourism development is controlled by outside interests.

Some problems can lead to cultural degradation and lessening of a sense of cultural identity. Deterioration of important archaeological and historic sites can result from overuse by tourists. There can be excessive commercialization and loss of authenticity of local customs, ceremonies, music, dance, crafts and other cultural patterns when these are inappropriately presented as tourist attractions. There can be a ‘demonstration effect’ of residents, especially young people, imitating the behavioural patterns and dress of tourists. This is done without understanding the different cultural backgrounds and socio-economic status of the tourists. Also, misunderstandings and conflicts may arise between tourists and residents because of different languages and customs.
Social problems of drug abuse, alcoholism, crime and prostitution may be worsened by tourism. The research conducted on these problems indicates that tourism is seldom their basic cause, but it may provide the opportunity to expand them.

Impact of Tourism on Environment

Large scale nature based tourism began in the western world as a response to the industrial revolution in the late 18\textsuperscript{th} and 19\textsuperscript{th} centuries (Johnson 1990).\textsuperscript{90}

The severity of the impact varied between environment type, climatic conditions, activity type and intensity of use. For example, evidence from research on the St James walking tracks (New Zealand)\textsuperscript{91} shows that the most severe impact (of erosion and channeling) occurs after rain.

There is differing evidence on the impact of motorized versus non-motorized activities to land and water. There is a good range of research undertaken regarding off-road vehicles. Impacts are more severe where there are no existing pathways, where the activity occurs in fragile environments and when the usage is high.


The physical indicators for tourism impact include: changes in soil compaction, bulk density, chemical composition, and hydrology, the rate of erosion and extent of pollution.

In general, the development of initial, or capital, infrastructure of tourism in a natural area results in the greatest impact. For example clearing forest to build a campsite, viewing platform or walking track results in partial to total habitat modification over a specified area. It also increases the exposure of the habitat to further disturbance. Similarly, the actuality of building a walking track will likely cause soil compaction, changes to the surface water regime, habitat loss and fragmentation, introduction of exotic plants and animals and microclimate change (such as light and heat increase).

Further to this initial impact, the type of maintenance undertaken will have an effect on the health and resilience of the ecosystem to tourism disturbance.

While there is species and site-specific variability with regard to the impacts of tourism on wildlife, there are generic impacts that re-occur throughout the literature\(^92\). These include behavioral changes (such as avoidance and attraction), decreased or disturbed mating and breeding success, displacement, and species composition change and population decline\(^93\).


\(^{93}\) Ibid.
Sunil Gupta (2001) identifies the following parameters to plan for the monitoring of environmental impacts.

- Forest and vegetation condition
- Consumption of fuel wood and other forest products
- Consumption of alternative sources of energy
- Water quality
- Sanitary conditions
- Bio physical environment
- Environmental consciousness on the part of community

The studies of various qualitative works have analyzed the economic impact of tourism and its contribution in terms of foreign exchange earning, employment generation, and its multiplier effect. Impact assessment of tourism also is concentrated around its behavioral, social and cultural phenomenon. However, the impact of tourism is multi-dimensional and region specific in nature. Therefore it is more significant to evaluate the impact of tourism from the social, cultural and economic perspectives in a given region. No comprehensive and integrated study has been conducted in different States in India on socio-economic and cultural impact of tourism. Researchers and scholars are of the opinion that investment in tourism is the need of the day in every state to capitalize its benefits for the development of the State. There is also a need for conducting an in depth study on its existing status covering all the elements and its contribution to Dakshina Kannada District.

94. Sunil Gupta (2001): op. cit
Therefore, it is useful and relevant to undertake a comprehensive study on socio-economic and cultural impact of tourism in the district to offer some suggestions to evolve suitable policies and practices pertaining to the tourism industry.

The review of earlier works of various researchers and scholars have not only enriched knowledge but also helped the researcher to fit the objectives of the present study and to formulate certain hypotheses, to be deeply probed into.