

## Role of Tourism in Poverty Alleviation A Case Study of Kerala

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### Abstract

This paper gives an overview of tourism and poverty reduction and highlights major policy statements in 'pro-poor tourism'. After providing a brief outline of the historical survey of tourism, it discusses various aspects that play a crucial role in tourism development with a focus on poverty reduction, economic performance, livelihoods, land and natural resources, food security, environmental sustainability, climate change, etc. The key message of this paper is initiatives on pro-poor tourism taking in to account realities on the life of local people. It also shows the vital role of tourism in effectively tackling the root causes of poverty, inequality and problems of environmental degradation and climate change in the context of globalization. It also scans the effectiveness of Kerala's tourism in the growth of the economy of Kerala in particular and its contribution to stringing Indian economy. Different types of tourism are influential in the alleviation of poverty.

**KEYWORD:** tourism, pro-poor tourism, sustainable tourism, ecotourism, green tourism, soft tourism, rural tourism, agro tourism, community tourism, equitable tourism, solidarity and responsible tourism.

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### Introduction:

Poverty alleviation has been a major concern for many developing countries like India. During the last one decade's technological advancement, growth of trade and other service activities are placed in the forefront of development and India is not an exception.

The Tourism and Travel industry plays an important role in uplifting socio-economic conditions. A well structured tourism policy will bring more income to the state and central exchequer. Many developing countries are looking to tourism as a promising avenue for economic and human development. In order to analyse the role of tourism on poverty alleviation it is important to define tourism first. Tourists are temporary visitors who spend more than 24 hours in destinations other than their normal place of residence, the motive for the journey should be for holidaymaking, recreation, health, study, religion, sport, visiting family or friends, business or meetings (Sinclair, 1998). The current study adopts this definition. Theoretically, therefore tourism is an economic activity, which is to the invisible trade section of the balance of payments accounts. It is deemed to be an export of services to the foreign countries from which the visitors originate. For the local or domestic tourists, tourism is accounted for within the internal trade regime and captured from the relevant sectors.

Tourism includes a wide range of activities, such as transportation, accommodation, catering, tour operation, travel agency, tour guiding and financial

services. The tourism industry drives development, by pulling in other sectors such as construction, infrastructure, arts, crafts, transportations and etc. It is estimated that 10% of world employment is depending on tourism and hospitality industry directly or indirectly. Thus tourism plays a vital role in eliminating unemployment problem, which is important to reduce poverty. As such, tourism as an industry can play prominent roles in improving livelihoods and socio-cultural development that are critical for poverty alleviation. Tourism can be pro-poor, that they can bring net benefit to the poor.

Pro-poor(PPT) is an approach that seeks to utilize tourism as a strategic tool to alleviate poverty among the marginalized sections. PPT can be defined as tourism which provides net benefits for poor people. Tourism is a massive and growing industry already affecting millions of the poor, by offering directly or indirectly job to them so, tourism has advantages over other sectors in relation to poverty reduction. Tourism is a very diverse industry which increases the scope for wide participation. Tourism is more labour-intensive than many other sectors, such as manufacturing and employs a higher proportion of women. Tourism products can be built on natural and cultural resources which are often some of the few assets that the poor have. Tourism may have potential in countries and areas which have few other competitive exports. Today tourism industry is considered as the priority sector across the globe. India's travel and tourism industry is one of most profitable industries in the country, and also credited with contributing a substantial amount of foreign exchange. It is more useful for the developing countries like India to grow and strengthen their economy. Now days the importance of tourism is growing rapidly as it helps to generate money on one hand and boost other associated industries and service sectors on the other. Several reasons are cited for the growth and prosperity of India's travel and tourism industry. Economic growth has added millions annually to the ranks of India's middle class, a group that is driving domestic tourism growth. Disposable income in India is going annually, and much of that is being spent on travel. India, being the second most populous country after China, naturally has polarization of economy resulting in economic dualities in different states of the country. And Kerala is a relatively small state lying in the southern tip of India, with potential to boost tourism and earn foreign currency which is important in GDP.

The important objectives this study is:

- a) To understand the nature, practice and position of tourism in Kerala
- b) To understand different kind of tourism in Kerala, which has important role in reducing poverty.

The objective of research as a whole is to explain and identify the meaning of tourism ,industrial economy and the role of tourism in improving economy. The study also surveys:

- The potential of natural resources in Kerala, in promoting tourism industry.
- The tourist centers of Kerala which are influential in improving the economic life of local people.

The **research methodology** employed includes the survey the condition of people in Kerala, which is based on secondary data. The secondary data is collected from tourism officials internet, books on tourism, different journals and articles, papers presented on tourism, annual reports from the ministry of tourism and other important channels of

information. Then data mentions the role of domestic and international tourists and areas of tourism which is useful and appropriate to boost tourism products to reduce poverty.

### **Overview of Kerala**

Kerala regionally referred as Keralam, is a state located in the south-west region of India on the Malabar Coast. It was formed on 1 November 1956 as per the States Reorganisation Act by combining various Malayalam-speaking regions. Spread over 38,863 km (15,005 sq mi) with a population of 31.84 million, it is bordered by Karnataka to the north and north east, Tamil Nadu to the east and south. Thiruvananthapuram is the state capital among the 14 districts and other major cities include Kochi, Kozhikode and Thrissur. Kerala is the state with the lowest positive population growth rate in India (4.86%) and has a density of 859 people per km. The state has the highest Human Development Index (HDI) (0.790) in the country according to the Human Development Report 2011. It also has the highest literacy rate (93.91%), the highest life expectancy (72.85years) and the highest sex ratio (as defined by number of women per 1000 men: 1,084 women per 1000 men) among all Indian states. Kerala has the lowest homicide rate among Indian states, for 2011 it was 1.1 per 100,000.

**Table I**  
**Salient Features of Kerala Vis a Vis India**

	India	Kerala
area	3287263 sq.km	38863sq.km
population	1027.02 million	33.87 million
male	531.28 million	16.07 million
female	495.74 million	17.37 million
sex ratio	933/1000	1084/1000
density of population	324/sq.km	859/sq.km
literacy	65.38%	93.91%
male	75.85%	96.02%
female	54.16%	91.98%
rate of the population	7.4	4.86
life expectancy	62.9	72.85
male	62.4 years	70.7 years
female	63.4years	75 years
infant mortality	49.33( per1000 birth)	13(per1000birth)
population below poverty line	32.71%	23.94%
per capita income	Rs .14,682	Rs.17,756

Source: <http://www.education.kerala.gov.in>

The development standard in Kerala is comparable to that of many first world nations, and is widely considered to be the highest in India at that time. Despite having high standards of human development, the Kerala ranks low in terms of industrial and economic development. Kerala with 38863 km has different economic products such as: production of pepper, natural rubber and beverage, it also in agricultural sector has different products like coconut, tea, coffee, cashew and spices, but a key agricultural

staple is rice. The state has 590km of costal belt, and around 1.1million people of state are dependent on fishery industry which contributes 3% of state's income. And tourism is one of the most important channels to earn money, employment and also catch foreign currencies which can be used for improvement of economy and limiting of backward area in Kerala. Kerala with 38863 km has almost all tourist attractions of the world such as: serene beaches, enchanting back water, mist lad hill station, lush forest, exotic wild life exciting plantation, tropical island, invigorating monsoon, Ayurveda health center, historic monument, sacred pilgrim centers, magical festivals splendid cultural heritage, spectacular boat races and spicy cuisine, to boost tourism industry. This entire factor could be influential in reducing poverty. Thus all governments should include poverty alleviation as a key aim in tourism development and consider tourism as a possible tool for reducing poverty.

All tourism should be concerned about the impact of their activities on local communities and seek to benefit the poor through their actions. Tourism destinations should be managed with poverty alleviation as a central aim. A sound understanding of how tourism functions in destinations is required, including how tourism income is distributed and who benefits from this. Planning and development of tourism in destinations should involve a wide range of interests, including participation and representation from poor communities. All potential impacts of tourism on the livelihood of local communities should be considered, including current and future, local and global impacts on natural and cultural resources. Attention must be paid to the viability of all projects involving the poor, ensuring access to markets and maximizing opportunities for beneficial links with established enterprises. Impact of tourism on poverty alleviation should be effectively monitored. The impact of tourism on poverty alleviation can be made through Sustainable Tourism. Sustainable tourism allows the development of tourism and recreation activities in a country, region or tourist destination by taking into account the basic principles of sustainable development, showing respect for the environment, for the people, for the economy and the local culture of the tourist receiving region. There are many forms of sustainable tourism such as the ecological tourism (ecotourism), the green tourism, the soft tourism, the rural tourism and agro tourism, community tourism, equitable tourism, solidarity and responsible tourism etc. Kerala is a tourist destination, renowned as God's Own Country that focuses on **sustainable** and **eco-friendly** development of tourism. A rich biodiversity and unmatched natural attractions make the state a unique ecotourism hotspot, of which the world is largely unaware. Kerala Tourism was piloting implementation of sustainable and responsible tourism practices at 4 destinations Kumarakom, Wayanad, Kovalam and Thekkady in triple bottom line – economic, socio-cultural and environment responsibility and could come out of a model which can be replicated to other destinations with active participation of the tourism industry, local bodies, NGOs and local community. Kerala Tourism now desires to take the initiative forward in two models called enterprise model led by the tourism industry and the destination model led by the local bodies. Both these model will support and complement each other to make the destination sustainable.

## **Role of Tourism on Economy of Kerala**

The first initiative to popularize Kerala as a tourist destination was undertaken by Travancore's first prince: H.H. Col. Goda Varma Raja (husband of H.H. the Queen of Travancore), who started Kerala Tours Limited to popularize key tourist locations in Travancore Kingdom. When Travancore merged with India, Kerala Tours Limited became a private entity under the Travancore royal family. For more than 20 years since Independence, Kerala showed a trend to ignore tourism as a key industry, leaving KTL and other private players to lead the role. In the 1960s, KTL struck gold, by collaborating with Thomas Cook and started popularizing Kovalam in western countries which started the advent of hippie culture in Kovalam Beach. The strong inflow of tourists into Kovalam, started Kerala government to consider tourism as a key industry. Though it tried to nationalize Kerala Tours Limited, it soon fell into legal issues. This resulted in the government to think starting a new entity known as Kerala Tourism Development Corporation (KTDC) in 1966. Kerala is an established tourist destination for both Indians and non-Indians alike. Tourists mostly visit such attractions as the beaches at Kovalam, Cherai Kappad, Muzhappilangad Beach and Varkala, the hill stations of Munnar, Nelliampathi, Wayanad and Ponmudi, and national parks and wildlife sanctuaries such as Periyar and Eravikulam National Park. The "backwaters" region with an extensive network of interlocking rivers, lakes, and canals that center on Alleppey, Kumarakom, and Punnamada also see heavy tourist traffic. The city of Kochi, also known as the "Queen of the Arabian Sea" has the large number of international and domestic tourists in Kerala. The capital city Thiruvananthapuram, Kozhikode (Land of Zamorins) and Alappuzha (called the "Venice of the East") are also popular destinations.

Kerala Tourism now desires to take the initiative forward in two models called

1. Enterprise model led by the tourism industry and
2. The destination model led by the local bodies.

Both these model will support and complement each other to make the destination sustainable. The Responsible Tourism Classification scheme is the first step for the enterprise model Tourism which plays an important role in the state's economy.

As mentioned the impact of tourism on poverty are discussed in Poverty Alleviation through Sustainable Tourism Development which can catch positive economic benefits like Creation of business opportunities, which provide employment and earnings from the sales of goods and services, creation of direct employment in formal sector businesses by the poor, the development of collective benefits where a community gains from concession or lease agreements with formal sector enterprises or from user fees for passing through a village or visiting a community forest and Charitable donations from tourism businesses. It also brings Positive Non-Economic Impacts in society like: Opportunities for capacity building, education and training, improvements in health, education and other forms of well-being, net positive environmental impacts which benefit the poor, for example by improved access for grazing for their livestock, improved socio-cultural status through community recognition and increased pride and self confidence which can be defined and reported in concrete terms and reduced

vulnerability through for example livelihood diversification which can be reported at the household level.

According to its benefits as mentioned we can say that it is the largest service industry in India, which contributes to the national GDP. Tourism as a sector can theoretically be linked to local economies; the consumer (tourists) comes to the destination, provides opportunities for selling additional goods and services (e.g. agricultural products, handicrafts) produced by locals including the poor. The resulting income and employment generation may help reduce poverty levels particularly of the local residents including the poor. Thus tourism is an important opportunity to diversify local economies. Remote areas, particularly, it attracts tourists because of their origin, cultural, wildlife and landscape value. Sometimes the infrastructure and social service facilities are established or improved using earnings from tourism. Using such facilities the poor not only improve their incomes but also their social well being and capabilities.

**Table II**  
**Significant Tourism data from 2001-2010**

year	Foreign tourist arrivals to Kerala	Foreign tourist arrivals to India	%of Foreign tourist arrivals to Kerala	Domestic tourist arrival to Kerala	Foreign exchange earnings in tourism(Rs.in billion)	Total earnings(Rs.in billion)
2001	208830	2537282	8.23	5239692	5.35	45.00
2002	232564	2384364	9.75	5568256	7.06	49.31
2003	294621	2726214	10.81	5871228	9.83	59.38
2004	345548	3457477	9.90	5972182	12.67	68.29
2005	346499	3918610	8.84	5946423	15.22	77.38
2006	428537	4447167	9.64	6271724	19.88	91.26
2007	515808	5081504	10.15	6642941	26.41	114.33
2008	598929	5282603	11.34	7591250	30.67	131.30
2009	557258	5167699	10.78	7913537	28.53	132.31
2010	659265	5583746	11.81	8595075	37.97	173.48
2011	732985	6592650	11.18	9381455	42.24	190.37
2012	794000	6650000	20	10100000	45.48	211.25

Source:

Department of Tourism, Government of Kerala (2011) + [www.traveltechie.com](http://www.traveltechie.com) + [www.newindianexpress.com](http://www.newindianexpress.com)

Kerala, with its tourism industry can have a loan's share in building its economy at home and can have a better presence in international tourism as well. Kerala in India can invite the investors to invest in its tourism industry, which can make Kerala economically strong and powerful than before. The economic significance of tourism in terms of employment, income, foreign exchange and regional development is a major driving force that enables national governments to place tourism appropriately in the development Kerala.

#### **Conclusion:**

Fortunately Kerala has shown, with a population of 33.38 million the state has the highest Human Development Index (HDI) (0.790), the highest literacy rate (93.91%), the highest life expectancy (72.85years), the highest sex ratio and the lowest homicide rate among Indian states but it also has rate of population below poverty line around( 23.4%)

Kerala has attractive tourist destinations like, **the beaches** at Kovalam, Cherai, Kappad, Muzhappilangad Beach and Varkala, **the hill stations** of Munnar, Nelliampathi, Wayanad and Ponmudi, and **national parks and wildlife** sanctuaries such as Periyar and Eravikulam National Park. The “**backwaters**” region with an extensive network of interlocking rivers, lakes, and canals that center on Alleppey, Kumarakom, and Punnamada also the city of Kochi, also known as the “Queen of the Arabian Sea” made Kerala as important tourist’s destination in the world .Tourism is the largest service industry in India, which contributes to the national GDP, Tourism as a sector can theoretically be linked to local economies which can by tourism pro-poor make decrease this rate (poverty) as soon as possible. Tourism as a sector linked to local economies which providing opportunities for selling additional goods and services (e.g. agricultural products, handicrafts) produced by locals including the poor. One of the possible way for tourism to have an impact on poverty alienation is through sustainable development. Sustainable tourism allows the development of tourism and recreation activities in a country, region or tourist destination by taking into account the basic principles of sustainable development, showing respect for the environment, for the people, for the economy and the local culture of the tourist receiving region. There are many forms of sustainable tourism such as: the ecological tourism (ecotourism), the green tourism, the soft tourism, the rural tourism and agro tourism, community tourism, equitable tourism, solidarity and responsible tourism etc. Kerala Tourism also was piloting implementation Sustainable of Tourism practices at 4 destinations Kumarakom, Wayanad, Kovalam and Thekkady in triple bottom line – economic, socio-cultural and environment responsibility- and could come out of a model which can be replicated to other destinations with active participation of the tourism industry, local bodies The resulting income and employment generation help to reduce poverty levels particularly income poverty of the local residents including the poor.

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