

Pro Poor Tourism Approach in India-Status and Implication

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ABSTRACT

Poverty alleviation is a major concern for many developing countries including India. Poverty can be alleviated mainly through achieving higher sectorial growth and ensuring that the poor have a percentage in that growth. There is evidence of tourism contributing to the economic growth of countries through foreign exchange earnings, creation of employment opportunities and provision of public revenues. Today tourism is one of the largest service industries in India, with a contribution of 6.23% to the national GDP and providing 8.78% of the total employment. Pro Poor Tourism as an approach to tourism development, that generates net benefits for poor people was introduced in the late 1990s through policy documents and reports sponsored primarily by the United Kingdom Department for International Development to explore the potential of tourism to eliminate poverty (Goodwin, 2002). It refers to tourism that is developed in a way that fosters the cause of poverty alleviation. The present paper highlights the current status of tourism in the country with reference to pro poor tourism approach as an effective measure in poverty eradication.

Key Words: Employment, Pro poor tourism, poverty,

INTRODUCTION

“People in poverty go through each day with the will to survive, but without the support and possibilities to move up the ladder of opportunity. Imagine where their efforts could take them if that ladder were in place. Our common responsibility is to help put it there.” Said Juan Somavia, the Director-General of ILO. Poverty alleviation today has become one of the major concerns for most of the developing countries including India. Poverty can be alleviated mainly through achieving higher sectorial growth and ensuring that the poor have a share in that growth. Evidence reveals that tourism contributes to the economic growth of countries through foreign

exchange earnings, creation of employment opportunities and provision of public revenues. In general, tourism has become a significant industry in both poor and rich economies because of its important impacts on economic, livelihoods and socio-cultural development (Shah 2000). The wider travel and tourism industry now accounts for more than 10 per cent of global gross domestic product (GDP) and creates more than 230 million jobs. For developing countries, tourism generated foreign earnings of more than US\$260 billion in 2007, more than six times higher than in 1990. Tourism is one of the major export sectors of poor countries and the leading source of foreign exchange in 46 of the 49 least developed countries (LDCs). Yet, to date the link between tourism and poverty reduction has lacked focus in the development plans of many poor countries. Many development plans accept that tourism contributes significantly to economic growth. However, economic growth does not necessarily lead to less poverty. Equally, while many small-scale projects have been developed to link tourism with poverty reduction, large-scale poverty reduction from tourism depends upon clear strategies consulted, articulated and monitored through national poverty reduction strategy plans. This study shows that apart from economic impacts, tourism affects the livelihood of the poor and that, if properly harnessed the positive impacts from the sector can contribute towards poverty alleviation.

Present Situation and Features of Tourism in India

Today tourism is the largest service industry in India, with a contribution of 6.23% to the national GDP and providing 8.78% of the total employment. India witness's more than 5 million annual foreign tourist arrivals and 562 million domestic tourism visits. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate. The Ministry of Tourism is the nodal agency for the development and promotion of tourism in India and maintains the "***Incredible India***" campaign.

According to World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential. As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world's attractive destinations. It is ranked the 14th best tourist destination for its natural resources and 24th for its cultural resources, with many *World Heritage Sites*, both natural and cultural, rich fauna, and strong creative industries in

the country. India also bagged 37th rank for its air transport network. The India travel and tourism industry ranked 5th in the long-term (10-year) growth and is expected to be the second largest employer in the world by 2019. Moreover, India has been ranked the "best country brand for value-for-money" in the Country Brand Index (CBI) survey conducted by *Future Brand*, a leading global brand consultancy. India also claimed the second place in CBI's "best country brand for history", as well as appears among the top 5 in the best country brand for authenticity and art & culture, and the fourth best new country for business. India made it to the list of "rising stars" or the countries that are likely to become major tourist destinations in the next five years, led by the United Arab Emirates, China, and Vietnam.

Poverty Defined

Who are poor people? The United Nations defines extremely poor people as those who live on less than the equivalent of one US dollar per day. This is measured in purchasing power parity (PPP), which is based on the cost of a similar basket of goods in different countries, expressed in United States dollars. Merely poor people are those who live on less than US\$2 per day. There are about 1.3 billion people in the developing world (21 per cent of the world population) in extreme poverty, which live on less than US\$1 per day. More than 2.7 billion live on less than US\$2 per day. In India even now in spite of all the development during the past five decades, nearly 35% of the population was getting less than \$1 (PPP) a day in 1999-2000 (World Development report 2007). Amartya Sen, 1977 defined poverty as “the poor is not an economic class, nor convenient category to use for analyzing social and economic movements. Poverty is the common outcome of a variety of disparate economic circumstances and a policy to tackle poverty must of necessity go beyond the concept of poverty.” The UNDP identified HPI (Human Poverty Index) with three different areas of

- Survival P1
- Education and Knowledge P2
- Decent Standard of living P3

The detail picture in light of India

Deprivation	Components of HPI	Configuration	Value or % of Indian population
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			below level
	Survival	P1	16.6
	Education and Knowledge	P2	39.0
	Decent Standard of living	P3	30.5

Source: UNDP, Human Resource Development Report, 2006(New York, 2006) Table.

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How does Tourism matter to the poor?

Poor people identify many ways in which tourism can boost, or disrupt their livelihoods.

Employment and business opportunities are of course a priority. Those with a secure job can lift a whole household out of poverty. So operators committed to training and employing local people can make a big difference. Many more people also participate in tourism through small enterprises including selling drinks, food and crafts; supplying cultural services – such as dancing displays or traditional villages; or supplying inputs to the accommodation facilities such as locally produced food, thatch and so on. Incomes from these enterprises may be small but can be a critical buffer.

But it is striking that poor people also prioritize many other aspects of tourism. Particularly:

1. **Infrastructure.** The poor invariably lack access to core assets and services – water, health facilities, and communications – and are often hampered by poor roads. When communities can share in the benefits of road improvement, water and sewage systems, or health facilities that are developed for tourists, impacts can be substantial and shared by many people.
2. **Security.** It is not only tourists who are troubled by crime and insecurity. Physical violence is also a major concern of the poor, particularly women. Measures to boost security can make an area safer for all, particularly if measures are designed collaboratively, with such a goal in mind.
3. **Improved communication.** Many of the poor are cut off from power, influence, and information. Even if the economic benefits of tourism are tiny, the poor attach value to their dialogue with a tourism operator because it provides information, new perspectives, and contact with wider markets.

4. **Income for the community.** There are many ways that community associations earn money from tourism. Some earn substantial lease fees or profit shares from a tourism partnership on their land. Others get donations from visiting tourists. While funds may sometimes be misused, there are also cases where they are invested in local needs – such as a well or a school. As community bodies have very few, if any, alternative sources of funds, tourism income is what makes such investment possible.
5. **Participation, optimism and local change.** The struggle to make ends meet is easier to cope with if there is, at least, positive change afoot. Optimism and pride are noted benefits where local residents participate in tourism planning, traditional cultures are revitalized, or tourism is planned as an element of wider economic development. Of course poor people also bear the costs of tourism. In too many places the poor have lost access to land, forest, water, or marine resources to tourism development. Access to fish or forest is often a staple part of a family's livelihood, not the optional extra that it is to most in originating countries. Minimizing these negative impacts can be even more important than trying to stimulate new benefits for the poor.

Thus there are three main ways that tourism can impact on vulnerable people:

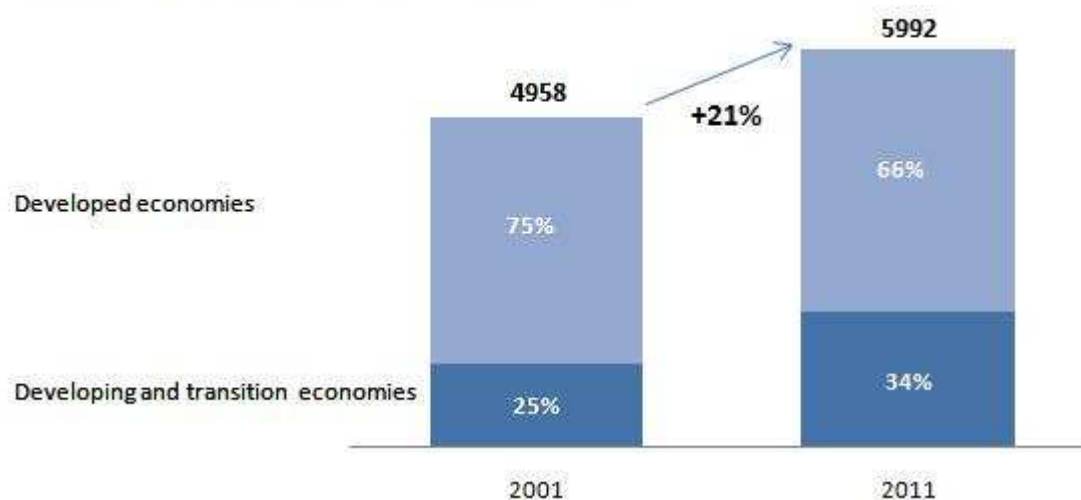
- (1) Through direct effects on the poor, such as tourism jobs and small tourism enterprises;
- (2) Through secondary effects, such as earnings from supply chain industries (for example, food and construction) as well as from tourism workers who spend their earnings in the local economy; and
- (3) Through dynamic effects on the economy such as entrepreneurship, wages and prices, infrastructure development, other export sectors, skill development and the natural environment.

Pro-poor tourism and poverty reduction

Poverty has been defined as the “denial of opportunities and choices most basic to human development to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others” (Hirschowitz et al., 2000). Poverty can be reduced through pro-poor tourism (PPT). PPT as an approach to tourism development that generates net benefits for poor people was introduced in the late 1990s through policy documents and reports sponsored primarily by the United Kingdom Department for International Development to explore

the potential of tourism to eliminate poverty (Goodwin, 2002). PPT refers to tourism that is developed in a way that furthers the cause of poverty alleviation. It has been defined simply as tourism that results in increased benefits for poor people (Suntikul et al., 2009). PPT is not a specific product or niche sector but an approach to tourism development and management. It enhances the linkages between tourism businesses and poor people so that tourism's contribution to poverty reduction is increased and poor people are able to participate more effectively in product development (Bolwell and Weinz, 2008). It is distinct from, but related to, other emerging approaches to tourism, such as community based tourism and ecotourism (Suntikul et al., 2009).

Travel & Tourism Total Contribution to GDP (\$US billions)

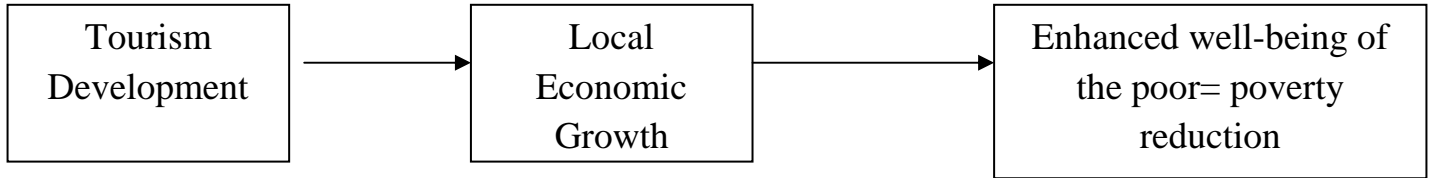


Source: World Tourism and Trade Council (WTTC) 2011

It is clear from the above figure that the tourism sector is growing and in particular in developing in transition countries. Its total contribution to global GDP has grown by 21 percent in the last decade to \$5,992 billion in 2011. A cross country study by the [IMF](#) showed that an increase of one standard deviation in the share of tourism in exports leads to about 0.5 percentage point in additional annual growth, everything else being constant. Thus many governments (particularly low income economies) should view investing in its tourism industry as a means to stimulate growth over the long term and enabling the poor to share in economic gains. It is acknowledged that, while tourism is an industry driven primarily by commercial interests and thus, with limits to its pro-poor potential, it does have a number of characteristics and advantages over other sectors in

terms of poverty reduction. There is no unanimity of views on tourism and poverty reduction. For example, according to one critic, most of the effects of tourism on poor people are negative (Bolwell and Weinz, 2008).

Contribution of Tourism to poverty reduction



Source: Zhao and Ritchie, 2007

The above figure is an illustration of tourism development in poverty reduction.

It enhances the linkages between tourism businesses and poor people so that tourism’s contribution to poverty reduction is increased and poor people are able to participate more effectively in product development. Links with many different types of “the poor” need to be considered: staff, neighboring communities, land-holders, producers of food, fuel and other suppliers, operators of micro tourism businesses, craft-makers, other users of tourism infrastructure (roads) and resources (water), etc. There are many types of PPT strategies, ranging from increasing local employment to building mechanisms for consultation. Any type of company can be involved in PPT – a small lodge, an urban hotel, a tour operator, an infrastructure developer. The critical factor is not the type of company or the type of tourism, but that an increase in the net benefits that go to poor people can be demonstrated”. Even this detailed definition has its limitations; however its weakness is that it remains oriented to single operations, rather than to the wider industry. Because tourism is such a large and growing industry, and so important to poor nations, large-scale strategies should now be emphasized in order to make real inroads into poverty.

Types of PPT Strategies

Increase economic benefits	Enhance non-financial livelihood impacts	Enhance participation and partnership
1. Boost local employment, wages 2. Boost local enterprise	1. Capacity building, training 2. Mitigate	1. Create more supportive policy/planning

<p>opportunities</p> <p>3. Create collective income sources-fees, revenue shares</p>	<p>environmental impacts</p> <p>3. Address competing use of natural resources</p> <p>4. Improve social, cultural impacts</p> <p>5. Increase local access to infrastructure and services.</p>	<p>framework.</p> <p>2. Increase participation of the poor in decision-making</p> <p>3. Build pro-poor partnerships with private sector.</p> <p>4. Increase flows of information, communication.</p>
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Barriers of Tourism in Poverty Reduction

An important study by the NSSO have revealed that the urban poverty ratio have been estimated to be higher than the rural poverty ratio. In absolute terms the number of urban poor has risen from 60.3 million in 1973-74 to 83.3 million in 1987-88 which indicated a rise of 20 million. This is an indicator of growing urbanization as well as non-availability of employment opportunities. Thus it indicates ‘the overflow of rural poor to urban areas with increasing urbanization being the principle factor accounting for an increase in urban poverty. (Dandekar and Rath). It has been stated that five states of India including Uttar Pradesh account for 181.4 million poor in the year 1987-88 i.e. 58% of the total poor reside in these five states. Although, there is a promising future for the agriculture tourism sector, the future looks blank if the existing barriers remain unresolved. Jamieson and Nadkarni (2009) identified some barriers to effectively using tourism development as a tool for poverty reduction.

CONCLUSION

Tourism industry is growing and it has vast potential for generating employment and earning large amount of foreign exchange besides giving a fillip to the overall economic and social development

of the economy. But much more remains to be done. This paper has laid importance to tourism as an important sector in the development of the economy with special emphasis on pro poor tourism approach. The paper also identifies the various barriers of tourism development for poverty reduction. The described barriers may not be only specific to PPT development strategy; some of them may also be considered as common general problems of tourism development. Based on the findings, empowerment can be a tool for poverty reduction through local tourism development. Poverty is a curse, which dehumanizes people. Therefore, pro tourism approach as an important tool can promote not only employment opportunities but also cultural development and national and international integration.

Barriers of Tourism related to poverty reduction

Barriers to tourism benefitting poor people	Example
Lack of human capital	Low literacy and poor job skills
Gender norms and constraints	Beliefs that women should not work
Lack of social capital	Poor communities are often not represented in civil society and economic planning
Lack of financial capital	Lack of micro credit, or revolving loan facilities.
Incompatibility with existing livelihood strategies	Seasonal subsistence activity may coincide with peak tourism period.
Location	Many poor people may live remote from places
Lack of land ownership and tenure	Many poor countries have no effective rights of land ownership
Lack of product	Subsistence food is not suitable for tourists
Planning process favors others-lack of planning gain	Developments set up in remote beach areas and purely benefit the industry with, for example, golf courses
Regulations and red tape	Many certificates required from different ministries

	to set up small business
Inadequate access to tourism market	Tourism market may be geared to imports, or package tourism may avoid contact with the poor
Low capacity to meet tourist expectations	Poor communities may be unaware of tourist expectations, or lack language skills
Lack of linkages between formal and informal sectors and local suppliers	Tourism enterprises may build on existing relationships with foreign suppliers, rather than seek local linkages
Inappropriate tourist market	Segment may be largely package or domestic that ignores unique culture of destination
Lack of pro-active government support for involvement by the poor	PPT not included in development strategies, market facilities not provided, education levels low.

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