Volume : 2 | Issue : 7 | July 2013 • ISSN No 2277 - 8160

Research Paper | Tourism

Tourism: Means of Forex and Poverty Alleviation

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ABSTRACT

Tourism is responsible for foreign exchange earnings which are necessary for mitigating balance of payment crisis (BOP crisis). Through tourism amalgamation of two different cultural zones takes place which creates cultural and social understanding. Tourism also promotes education, peace and broadmindedness. Tourism is also responsible for creation of employment (especially for women), transfer of money from developed to undeveloped areas, increase in the demand of local cultural manifestation (local talent) and creates a multiplier effect in the whole economy /area which helps in eradicating poverty.

The present paper is the study of poverty alleviation through development of tourism. The paper discusses the present status of foreign exchange earnings and development of region/ place, society and culture, events, infrastructure etc. through tourism.

KEYWORDS: Forex, Poverty, Women Empowerment, Cultural Manifestation etc.

Introduction

After World War II, with the help of jet technology tourism has emerged as a major global industry. It is a service industry which is governed by laws of demand and supply. In the present world tourism is a source of pleasure, travel and relaxation, a holiday and exposures to alien culture. It is responsible for international trade, human movement and interaction. There are more than 35 countries whose economical backbone is travel and tourism industry. It acts as a catalyst for all other types of economical activity and development. Its role in regional, socio-cultural and human development can not be negated. Its employment generation capacity and economical multiplier effect is a major instrument in the hands of present administration for eradicating poverty.

Objectives

The research aimed at the following:

- To find the present foreign exchange earnings through tourism
- To identify the major areas of tourism development.
- To understand means of poverty alleviation through tourism development.

Methodology

In order to fulfill the objectives of the study, secondary data pertaining to tourism flow, economical value, destination development and means of poverty eradication have been collected from various books, reports, journals and website.

Tourism and FOREX earnings

As per Ministry of Tourism statistics – 2011 (Government of India), about 26% of Foreign Tourist Arrivals in India during 2011 were for the purpose of 'leisure, holidays and recreation". This is followed by the purpose of "Visiting friends and relatives (24.9%)", "business and professionals (22.5%)", "Medical treatment (2.2%)" and for the others purposes 24.3%. In all these purposes the international tourists are utilizing India's infrastructure and resources by paying through foreign currencies. Earning of foreign currencies (FOREX) is the prime objective of all nations for avoiding Balance of Payment crisis (BOP crisis). In India, Tourism is the most important industry for earning foreign exchange. In year 2011, India has earned Rs. 77591 Crore Rupees as Foreign Exchange and registered a growth of 19.6% in year 2011 over that of 2010 (FOREX earned in year 2010 is Rs. 64889 Crore). The Foreign Exchange Earning (FEE) from tourism in India, in INR terms and US$ terms, during the period 2000 to 2011 is given in **Table – I**

Table:1
Foreign Exchange Earnings from Tourism in India During 2000-2011

Year	FEE in Rupees Terms		FEE is US $ terms	
	Rs. Crore	% Change over previous year	US$ Million	% Change over previous year
2000	15626	20.6	3460	15.0
2001	15083	-3.5	3198	-7.6
2002	15064	-0.1	3103	-3.0
2003	20729	37.6	4463	43.8
2004	27944	34.8	6170	38.2
2005	33123	18.5	7493	21.4
2006	39025	17.8	8634	15.2
2007	44360	13.7	10729	24.3
2008	51294	15.6	11832	10.3
2009	53700	4.5	11136	-3.7
2010 #	64889	20.8	14193	27.5
2011#	77591	19.6	16564	16.7

Advance Estimates. (*Source: India Tourism Statistics 2011, Ministry of Tourism, Government of India)*

As per UNWTO's (United Nation World Tourism Organization) estimation, world wide receipts (International Tourism) were US$ 1030 billion in 2011. In year 2010 it was US$ 927 billion. Except Middle East (-11.2%), all regions posted positive growth and Asia and Pacific (13.4%) and Europe (13.2%) showed the highest growth. During 1997 to 2002, India's share in world tourism receipts remained in between 0.64% to 0.72%. However, steady growth has been noticed since 2002 and has reached 1.61% during 2011. Similarly India's rank in terms of International Tourism Receipts has witnessed improvement from 34th in 1998 to 17th in 2011, however India's rank in World Tourist Arrivals is 38th with 6.29 Million number of foreign tourist arrivals (annual growth rate is 8.9%). **Table – 2** shows Foreign Tourist Arrivals (FTAs) in India during 1997 to 2011.

Table – 2
Foreign Tourist Arrivals (FTAs) in India, 1997 - 2012

Year	FTAs in India (in million)	Percentage (%) change over the previous year
1997	2.37	3.8
1998	2.36	-0.7
1999	2.48	5.2
2000	2.65	6.7
2001	2.54	-4.2
2002	2.38	-6.0
2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	5.28	4.0
2009	5.17	-2.2
2010	5.78	11.8
2011 (P)	6.29	8.9

(P) Provisional (*Source: Indian Tourism Statistics 2011 at a Glance, Ministry of Tourism, Government of India)*

Accordingly Government of India wants to develop tourism as a major engine of economic growth by harnessing its employment capability and eradicating poverty in an environmentally sustainable manner (India Tourism Statistics – 2011, page 125). The plan schemes of the Ministry of Tourism, Government of India wants to develop Tourism Products, Infrastructure, Human Resource, Market Share and Computer Information Technology (CIT). The same is reflected in the Ministry of Tourism Plan Outlay.

Table – 3 Ministry of Tourism Plan Outlay
1. Annual Plan Outlay for 2012-13- Rs. 1210.00 Crore
2. 11th Five Years Plan Outlay- Rs. 5156.00 Crore
3. 12th Five Years Plan Outlay (2012 – 17) proposed - Rs. 15189.73 Crore
4. Number of Projects Sanctioned during 1226 2007 to 2012 to Indian States-
5. Amount Sanctioned for Projects to Rs. 4090.31 Crore Indian States(2007 to 2012)-

(Source: India Tourism Statistics – 2011, Ministry of Tourism, Govt. of India)

Means of Poverty Alleviation:

Poverty and Development are the two faces of the same coin i.e., they are interlinked. There are certain destinations where basic infrastructure is very poor which results in acute poverty. If we think about any beautiful nature abundant areas (natural resource) i.e. mountainous regions in India like North Eastern Region, Sikkim, Laddakh, Himachal Pradesh, Uttrakhand etc. they have very fragile eco-system due to which concept of modern development can not sustain. These are the areas with numerous geographical and natural barriers of development. These barriers are hindrance in developing any kind of modern huge industry and initiate activity like trading, mining and agriculture. These factors are responsible for backwardness and poverty. Now here tourism can play a major role in economic development and in eradication of poverty. These regions have God gifted natural heritage, which can be used for development of controlled form of tourism. For example in *Uttarakhand, Tehri, Dehradun, Devaprayag, Pauri, Srinagar, Rudraprayag, Karanprayag, Gupta Kashi, Okhimath, Nainital, Ranikhet, Almora, Kausani, Baijnath, Bageshwar, Binsaro, Jageshwar, Champawat, Pithoragarh* etc. are some of the places have natural and religious resources. These resources are the base of tourism activities and development.

Another reason of poverty is lack of opportunity and unemployment. Tourism is a service industry. That service will be provided by people. This industry is not very technical so highly qualified human resource is not always required. So those people who are not even highly skilled and educated can get job opportunity in tourism sector. We can even say that development of tourism can provide new type of opportunities. So, if development of tourism is well planned and integrated, it will create maximum opportunity of employment and if maximum numbers of local residents get that opportunity, it will definitely eradicate problems like poverty and unemployment. The start of controlled tourism development will initiate a chain reaction and multiplier effect in whole economy.

Tourism can become responsible for producing or increasing the demand of original talent which is inherent quality of the downtrodden people. Through tourism theirs original talent will get some economical meaning. Uneven distribution of capital is also responsible for poverty. Tourism can help in minimizing this uneven distribution. As we know that a maximum number of tourists move from urban areas to rural areas, from plain area to mountainous region, and moving in those areas having some uniqueness but not facing modern urban problems. This creates flow of money from developed to underdeveloped or undeveloped areas. The flow of money will be responsible for development of infrastructure and that will help in eradicating the poverty. The developed infrastructure is used for development of other economical activities. All economical activities will create new opportunity and employment which will remove backwardness and poverty.

Tourism development is also responsible for national integration by intermingling different culture and region with movement of people as tourists. This provides rigid society a chance to intermingle with outside world with result of increase of education and broadmindedness. The sage "*Shankaracharya*" was a great visionary and promoter of travel and tourism. He established four dhams in four directions i.e. *Badrinath (Uttarakhand* – North*), Sringeri (Karnataka* – South*), Puri (Orissa* – East*) and Dwarka (Gujrat*-West*)*. He realized that India is a very vast country; a continent in itself, so people need a purpose to move in all directions. It was necessary for developing cultural unity. For cultural unity India produced great travelers, who were saints, traders, ambassadors, students and religious teachers/preachers. Due to these traveler's efforts historical and ancient places developed as religious sites and created demand for tourism. Due to religious tourism there are thousand sites/places/areas etc which are developed like *Mathura, Kurukshetra, Dwarka, Ayodhya, Chitrakoot, Prayag, Nandigram, Panchavati, Kishikindhapur, Ramesvaram, Kapilvastu, Bodhagaya, Saranath, Pava, Gaya, Varanasi, Haridwar, Pahalgam, Ajmer Sharif, Nanded, Amritsar, Mount Abu and Different Dargah* etc.

Tourism is also responsible for empowerment of women as this industry has maximum capacity of employment generation for women. Tourism development is giving economical meaning to day- to- day house-hold work of women. This economical means increases women's status, educational level and self prestige. In this way social development takes place.

Tourism is also responsible for cultural development. Due to tourism there is interaction of different people from different cultural background which increases awareness and creates demand for both cultures' products (host culture and guest cultures). Demand of culture is demand of manifestation of culture i.e. dance, drama, local craft, food, cloth, architecture, music, heritage, etc. This is responsible for purchase of souvenirs and other cultural manifestation. These create a sense of conservation, preservation and management of cultural heritage and property. The resultant of this activity is the sustainable economical development. As an example Madhubani painting (*Bihar*), Surajkund Craft Mela (*Haryana*) and concept of Dilli Haat (*Delhi*) can be cited.

Another aspect of development, directly related with the development of tourism is Infrastructural Development. It has been noticed that development of any place which has some tourism resource is started by Allocentric type of tourist. Movement of Allocentric type of tourist at a site is responsible for creation of awareness among local people/authority. Development and marketing of that site may be started by that awareness. We can say that travel and tourism can play important role in the development of Infrastructure. In case of tourism development one thing is interesting that whatever is developed for tourism purposes (Basic Infrastructure) would also be used by local residents. Development of something special is not necessary for tourism development. For those regions where other form of development like Agriculture, Mining, Trading, Industry etc. are not possible, or cost of development is very high, there tourism can play a vital role in human, social as well as economic development.

Conclusion

The Role of tourism in earning foreign exchange can not be disputed. In whole world, tourism activity is the major source of earning which is used for mitigating balance of payment crisis. Side by side this earning is also used for human, socio-cultural development and international trade. So we can conclude that development of travel and tourism can act as a means for development and poverty alleviation. But each type of development will create some negative impacts and if development is not controlled and well planned, it will destroy the whole ecological balance. The same has been noticed at Uttarakhand's recent floods, land slides and related devastation.

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