

The 4 Dimensional Effects of Economic Developments Due to Tourism and Challenges in the Transportation Sector in Kerala

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India has significant potential for becoming a major global tourist destination. The country witnessed foreign tourist arrivals of 2.75 million in 2001. Travel and tourism is the second highest foreign exchange earner for India, and the government has given organizations in this industry export house status. There is considerable government presence in the travel and tourism industry. Each state has a tourism corporation, which coordinates the various activities coming under the tourism industry within the states and between the states.

Policy Initiatives

The New Tourism Policy released in May 2002 has outlined the following policy initiatives for the tourism sector:

The new policy envisages making tourism a catalyst in employment generation, wealth creation and development of remote and rural areas, environment preservation and social integration. The policy also aims to spruce up economic growth and promote India's strengths as a tourism destination that is both safe and at the same time exciting.

The policy proposes the inclusion of tourism in the concurrent list of the Constitution so as to enable both the central and state governments to participate in the development of the sector. There are several other promotional packages also included in the policy.

Kerala, the land of green magic, is a narrow, fertile strip on the south - west coast of India, sandwiched between the Lakshadweep Sea and the Western Ghats. Rice fields, mango and cashewnut trees and coconut palms dominate the landscape. The present-day state of Kerala was created in 1956 from Travancore, Kochi and Malabar. Malabar was formerly part of Madras state. Kerala is one of the most progressive, literate and highly educated states of India. For the visitors, Kerala offers an intriguing blend of cultures and some unusual ways of traveling around. It offers some of the best and most picturesque beaches in India.

Kerala tourism, which has become a major contributor to the state's economy, deserves the backing of the Union Government. Tourism has emerged as a more powerful catalyst for economic development than the manufacturing, construction and service industries. Kerala tourism has made a steady growth during the past 15 years. The state witnessed an appreciable increase in the arrival of tourists during this period. The tourism sector provides employment to one million people in the state, and the number is expected to increase in the coming years. The foreign exchange earned by Kerala during 2006 reached Rs.19880/- millions.

Poor infrastructure is the major problem faced by the tourism sector in the state. Infrastructure development, destination projects and circuit schemes are the sectors in which the state is looking for aid from the Union Government. Some of the proposals under considerations are introduction of seaplane service, considering the potential of its costal line, luxury train service like the one in Rajasthan. The route of the train is Goa to Kanyakumari via Cochin. It has been estimated that 11 lakh rooms will be needed within five years. Such is the increase the Department is expecting in this sector. The number of tourists visiting Kerala went by over 20% in this tourist season as compared to the last year's season. Tourists showed an inclination for tours that connect beaches, backwaters, and the hills. A state where investments are rare to come by, it is the tourism sector, which has been the main stay of Kerala's economy. With its pristine beaches, sylvan surroundings and backwaters, Kerala has always been an enigma to visitors from far and near. One of the 50 must visit place in the world, according to the National Geographic Magazine, God's own Country continues to charm tourists with its rich tradition and culture. It is the tourism sector, which has been a bread-earner for many.

In Kerala, Department of Tourism, Government of Kerala is the nodal agency promoting tourism related activities within the state. The Government's policy is to promote tourism in a big way since Kerala has the potential to attract people from all over the world. Unlike in other part of the country, in Kerala, tourism is not a seasonal activity since the state has some events or the other which is being celebrated in regular intervals that covers almost eight to nine months in a year. Many religious functions being celebrated in a big way to attract overseas and inland tourists. In addition to these, many beautiful hill stations, world famous beaches, backwaters and nature destinations do attract thousands of tourists into

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the state every year. The number of tourists arriving to Kerala is increasing every year but the growth is not as expected. This is mainly due to lack of facilities available to them. The Industry's major concern is lack of infrastructure facilities to meet the existing and future demands in this sector. Marketing and promotional activities alone won't help to attract the tourists into the State. Necessary facilities as well, should be made available to the tourists coming into the state.

Kerala was the first state in India to be accorded the status of Partner State of the World Travel & Tourism Council (WTTC) in 2000. Kerala Tourism Department and the WTTC jointly conducted a Tourism Satellite Accounting Research (TSA) in the State. The TSA is the accepted measure of the economic impact of tourism in a defined area. Kerala has now joined in the exclusive club of sub-national economies that have implemented TSA, along with Hawaii and South Carolina. The following are the result of the Kerala TSA:

- Kerala travel and tourism demand is expected to grow by 11.6% per annum over the coming decade. This is the highest recorded growth rate in the world pushing Turkey back into the second place, where India was earlier. This figure shows high levels of consumption of the tourism products in the state by both domestic and foreign tourists.
- Kerala registered a record growth 23.5% in terms of visitor exports (tourism receipts) or external account earnings from travel & tourism over the next ten years. India's estimates for this period is 14.3% while the world average is only 6.5%.
- In 2001, while India's visitor exports suffered a decline of 4.8% as a result of 9/11 events in US, Kerala visitor exports actually increased by 11% over the 2000 results. This point to visitors feeling more secure in Kerala than in other part of the country.
- Government expenditure is expected to grow only 1.1% of the total, reflecting the apathetic attitude of Government towards investing in travel & tourism sector.

Over the next ten years the WTTC forecast suggest Kerala will nearly triple its current level of travel & tourism economy employment. Increased investment in travel and tourism will obviously have enormous spin off results for the economy and the people.

Travel is an activity, which can't be separated from human beings and hence the problem is to be addressed in a scientific manner keeping in view of the long-term perspective developments of the state. Kerala has tremendous potential for promoting tourism in the state, which will provide employment, increase business and earn foreign exchange for the country. But this can be made practicable only if the State is taking proper care in addressing all issues connected with this sector. A micro level study of each one of the projects planning in the area of tourism promotion activities is required to be studied and quantified the exact requirements needed on the total system in the coming years. Any infrastructure development activity such as transportation, power, water supply, housing, health etc. take more time to implement and hence it is always better to plan in advance and implement the same.

The state of Kerala is one of India's largest developed tourism destinations. The major components of tourism industry in Kerala are identified as restaurant, transportation, houseboat, health, ecotourism and tourist shopping. Ecotourism is implemented through Forest department and it is observed that there is good demand in this sector. Cultural tourism programme is becoming increasingly popular among the foreign tourists. Under the package, tourists are taken to various kalaries, koothambalam and the art gallery. In the initial stage cultural tourism did not get the desired publicity among the foreign tourists. However, with the growing popularity, the programme is expected to be an important source of revenue for the Government. Kerala Tourism Department can make use this opportunity for promoting tourism with in the state.

International tourists arrivals increased to 3.46 lakhs in 2005 from 2.08 lakhs in 2001. Also domestic tourists arrival rose to 59.46 lakhs from 52.4 lakhs in 2001. The annual growth rate of tourist's arrival is 13.27% and 2.6% respectively.

The focus of Kerala tourism now is on creation of quality infrastructure at the tourist destinations and en-route, especially in transportation and road infrastructure. It is observed that Trivandrum, Ernakulam and Idukki are the leading district on the basis of foreign tourist arrivals and Thrissur is leading in domestic tourists arrival.

Good physical connectivity is essential for the promotion of tourism in Kerala. However, the State has not been able to keep pace with the rising demand in all sectors of economy with special reference to

tourism sector. Road transport occupies prime position because even for using other modes of transport road is needed. Reports indicate that there is an annual growth rate of seven to ten percent in road traffic in our country. Through Kerala is better placed than many other states such as road density (414 kms/100sq.kms) and the length of road per lakh population (505.46kms), many more developments are to be introduced in this sector to cope up with the mounting pressure in this area. Kerala has a road network of about 1,54 lakhs kms comprising national highways, state highways, district and village roads. The investment need for development in the road sector is of high magnitude that is beyond the resources available with the Government at present. The main problem facing the developmental activities in this sector is the delay in land acquisition and shortage of vacant land as well. Many projects are due for commencement for want of land. Also, the plan allocation for road development shows a decreasing trend.

As far as the overall impact of the economic reforms carried out by Government of India is concerned many areas witnessed notable achievements. Providing infrastructure services to meet the demands of business, households and other users is one of the major challenges of economic development. Transport sector is a major area in the infrastructure services. The development of important sectors like agriculture, industry, mining, forestry, trade and tourism etc. depend to a large extent on the existence of an efficient and speedy transportation network. The transport sector in India is largely consists of roads, rail air and inland water. Roads occupy an important position since the other modes of transport can function smoothly only if roads are connected to these places.

In Transportation Management, it is suggested that fundamental changes will be required if the system is to succeed in a world of increasing social, economic, political and technological changes. If this is true, then strategic planning and management will be a crucial tool towards this end. Any development is possible only with proper communication networks, which will address all aspects of the individual's needs. Unless this is not taken care of properly, the end result will be disastrous when the new system is fully operational. There is significant amount of work has been done on strategic planning in general but much less work has been done specifically in public transportation. This is one of the reasons for the failure of many developmental activities taking place in urban centers and other places of importance. In our cities and urban centers, the demand for travel is increasing at a very rapid pace. The road infrastructure has remaining almost inelastic over the years.

The existing scenario of Kerala Transport system is far below the demand but it is better placed than most other states. The important tourist destinations in the state are Trivandrum, Cochin, Alleppy, Idukki, Thrissur, Kozhikode, Wayanad, and Kasaragod. Though road connectivity is available to all these places the standard of the services is not up to satisfactory level. Rail connectivity into Kerala from all important state capitals is available but again the system is not that effective to choose that mode for reaching to Kerala. Similarly Kerala has got three international airports to cater the needs of international tourists. Since travel is a major component in tourism if we are unable to provide top quality services in that sector the business won't catch up that fast as we visualize. Hence all our planning should be at the International standards and Kerala is yet to pick up a trouble free and dependable transport system for the tourists coming to the state. State has the responsibility to provide smooth travel by road to various destinations at an affordable rate, which should not affect the tourists' itinerary. It needs to study the various other developments going to take place in Kerala in the near future, which can also contribute indirectly the transport system and tourism industry in the state.

Kochi, for instance, is one of the fast growing urban centers in our country with little planning for the future. Kochi is going to have different varieties of developmental projects within the next 5 to 10 years time. Some of the important and large forthcoming projects in Kochi are the Vallarpadam International Container Terminal, Smart City project and the Electronic City project. In addition to this many more medium size projects are also in the offing. As of now Kochi is lagging in many fronts such as drinking water, health, sewage disposal, transportation, housing, schooling etc. All these can't be solved overnight but planning should be initiated to tide over before it reaches the critical condition. Short term, medium and long term solutions are to be evolved so as to enable the implementing agencies could start the work side by side. While there are many discussions about issues, more work is needed to assess their impacts and identify the solutions at the initial stage itself. Findings from the study are reported with an emphasis on practical as well as theoretical implications.