

Tourism Industry: Focusing Sustainability Contemplating Adversity

Rashmita Barua is presently working as an Assistant Professor at the Department of Humanities and Social Sciences in Assam Don Bosco University. She has an industry experience of over one and a half years and academic experience of over three and a half years. Presently she is pursuing her PhD in International Trade: Masters of Business Economics (MBE).

Abstract

Tourism industry helps generate employment, reduce poverty and contribute to the overall economic growth of many developing and developed nations. Tourism Industry has been considered to be the disseminator of economic progress for many developed and developing economies. Growth in tourism automatically creates a backward and forward linkage with other sectors, developing into an important tool of income generation for these sectors. It has turned out to be the key driver of socio-economic progress for a country through generation of export revenues, creation of jobs and entrepreneurial units, and infrastructure development. However, tourism does have both positive and negative impacts on the people and the environment. As the tourism sector is poised for massive growth if it is not addressed well, it may lead to serious financial leakages, socio-cultural tensions and environmental damages to the local communities. Therefore, it has become highly essential that tourism be developed and practiced more sustainably by developing strategic policies and tools to maximize the industry's positive effects while minimizing the negative impacts of the industry on the society. Sustainable tourism practices must become an important objective in the development process of an economy. The paper aims at discussing the importance of sustainable tourism practices and various guiding principles that could help shape sustainable tourism in developed as well as developing countries. The paper discusses a case on Sikkim to address the impacts of tourism on the local community in general. The case also brings forth the sustainable development practices that are being adopted by Sikkim Tourism.

Keywords: Tourism, Socio Cultural, Economy, Environment

Introduction

Tourism Industry has been experiencing a robust growth in the recent past, becoming one of the largest and fastest economic sectors globally. Tourism has turned out to be the key driver of socio-economic progress for a country through generation of export revenues, creation of jobs and entrepreneurial units, and infrastructure development. As per the recent statistics provided by the World Tourism Organization (UNWTO), international tourist arrivals have grown by 4% in 2012 to 1.035 billion. Inbound tourist arrivals have spread geographically across all countries of the globe making it one of the major sources of export earnings for any country. In 2012, international tourism generated US\$1.3 trillion in export earnings.¹

¹ URL: <http://www.e-unwto.org/content/hq4538/fulltext.pdf> (accessed on 27.09.2013)

The tourism industry has also turned out to be an important tool of income generation for other service sectors associated with it. Tourism has a lasting positive effect especially for developing countries as it is considered to be a significant measure for eliminating poverty and increasing the standard of living.

But at the same time, this fact also cannot be negated that tourism can be viewed to have both positive and negative impacts on the people and the environment. It has become highly essential that tourism be made and practiced more sustainably by developing strategic policies and tools to maximize the industry's positive effects while minimizing the negative impacts of the industry on the society.

The first part of the paper deals with outlining the current trends in international tourism and its future prospects. The second part of the paper discusses about the positive impacts of tourism on growth and poverty alleviation. The third part of the paper tries to correlate the relationship between tourism and sustainable development and the importance of practicing sustainable tourism. The final part of the paper discusses the various policy initiatives that can help shape sustainable tourism across the globe. The last part of the paper analyses a case on Sikkim Tourism.

Trends in International Tourism - Current and Future Outlook

The UNWTO released a report on the emerging trends in 2013 on *World Tourism and Beyond* by highlighting some of the points. Tourism contributes 9% of GDP on an average having direct, indirect as well as induced impact. One in every eleven jobs is contributed through the tourism sector. Tourism has raised world export earnings to US\$ 1.3 trillion and Tourism is contributing to 6% of the world's exports. International tourist arrival is set to increase to 1.8 billion for 2030. Between the years 2010-2030, arrivals in emerging economies (4.4% a year) are expected to increase at double the pace compared to that of advanced economies (2.2% a year). Growth prospects for the year 2013 are stronger for Asia and Pacific, followed by Africa. International tourism receipts grew by 4% in real terms in the year 2012, reaching a landmark of US \$ 1,075 billion worldwide.

Tourism- a Tool to Increase Economic Growth and Poverty Reduction

It is well acknowledged that the tourism sector contributes for the overall economic growth of a country. The contribution of tourism industry on the growth and poverty alleviation of a country depends upon many factors. The extent to which tourism is incorporated into the national economy through backward and forward linkages with other sectors and also the extent to which revenue generated by tourism is used to finance infrastructure development, support local enterprises, and to develop the skills and institutions needed to create an effervescent region. The policies and strategies adopted by governments that may encourage domestic and foreign investment in tourism and national efforts to ensure tourism activities are carried out sustainably to meet the economic, social and environmental objectives.

Tourism and Economic Growth

Tourism is one such sector that has the potential to integrate with many sectors of an economy. Growth in tourism automatically creates a multiple effect by promoting the operations of hotels, restaurants, home stays and other tourism related activities such as construction of airports, rail, ports, roads and other infrastructural facilities to transform the region into a tourism destination. It also leads to the development of various infrastructural services like energy, telecommunications, ICT, health care services and other support services by creating a forward linkage that becomes a source of revenue generation for these sectors. Therefore, the government must ensure that they formulate and implement effective development strategies and regulatory framework for promoting tourism by stimulating a conducive environment for flow of private and foreign investment into an economy. Foreign investment can lead to the growth of manufacturing sector of an economy, because foreign investors bring with them assets in the form of technological know-how and knowledge transfer into a region that may result in providing a better market for the local entrepreneurs and locally manufactured commodities.

Tourism and Poverty Reduction

As discussed earlier tourism sector contributes to the national exchequer through creation of employment and revenue generation. This does not mean that tourism may not be the only answer to poverty alleviation, but it can surely be a contributing factor in reducing poverty. Investment in various sectors like infrastructure, utility services, transport network and so on, stimulated by growth in tourism, may benefit the poor locally either directly or through the support of other sectors. Employment generation can be a key to poverty reduction. As tourism industry is highly labor-intensive, it has the ability to create a high proportion of employment and career opportunities for low-skilled workers.

Key Challenges and Risks Associated with Tourism

As has been already mentioned, international tourist arrivals would double for the next 15 odd years. If serious harm to the resources of a region is to be avoided, growth in tourism must be managed well. If this dynamic growth-multiplier effect in tourism is not addressed well, it may lead to serious financial leakages, socio-cultural tensions and environmental damages.

United Nations Conference on Trade and Development² points out the following major concerns associated with tourism growth:

Financial Leakage: Tourism pumps vast amounts of income into the local economy and the international economy. The share that is not retained in the local economy, the leakage, limits the multiplier effects and thus reduces the sector's positive economic

² URL: <http://unctad.org/meetings/en/SessionalDocuments> (accessed on 27.09.2013)

impact and development potential. Leakage occurs when there is a need to procure tourism-related goods and services from abroad. It can take the form of profits and revenue paid abroad to international tour operators, the cost of imported goods and services, or interest payments on debt.

Socio-cultural tension: Tourism brings people with different values, cultures, income levels and lifestyles in contact with each other. While this exchange can be very valuable in several regards, it can also lead to friction or threaten established values and cultures. Some observers even argue that it may lead to cultural degradation or disruption for communities, in particular women and vulnerable indigenous people, in the destination country, as well as resentment and ultimately rejection of foreign tourists by local residents.

Environmental Damage: Possibly the most pressing negative impact of tourism is the one it exerts on the environment. As it is energy and water-consuming, it produces large amounts of waste and affects cultural heritage by attracting large crowds of people to these sites and causing considerable environmental and cultural heritage damage.

Impact on Bio-diversity: The impact of tourism on biodiversity has already been immense. There are many examples where large-scale tourism has had detrimental effects on biodiversity. According to UNEP, "Failure to incorporate biodiversity concerns in destination planning and investment will have detrimental effects on the natural environment, increase conflict with local communities, and lead to reduced value-creation potential for both the destination and investors (notably as interest in nature-based tourism is growing rapidly around the world)."

Climate Change: Climate change is a major issue for the long term sustainability of tourism in two senses: climate change will have consequences for tourism, and tourism is a contributor to climate change. Effects of climate change, such as rising sea levels, increased frequency and energy of surges and storms, beach erosion, coral bleaching, and disrupted water supply threaten many coastal destinations. Mountain resorts will also suffer, from rising snow lines and shortening winter sports seasons. Changes in temperature and rainfall may affect market appeal in most parts of the world, although in different ways. Tourism may also be affected by other factors such as the spread of tropical diseases and the availability of water.

Tourism and Sustainable Development

The concept of sustainability arose from the need of scarcity of resources which must be optimally utilized to support the growing population. The most commonly used definition of sustainable development is still that given in the report of the World Commission on Environment and Development (1987), i.e. sustainable development is 'a process to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Tourism sector has a direct bearing on the visitors, industries, the local community and the environment. This direct bearing showcases a very sensitive issue for sustainable development. On the positive side, tourism provides a growing source of opportunities for enterprise development and employment creation as well as stimulates investment and support for local services. It brings tangible economic value to natural and cultural resources.

On the flip side, tourism may place direct pressure on fragile ecosystems causing degradation of the physical environment and disruption to wildlife. It exerts considerable pressure on host communities and lead to dislocation of traditional societies. Tourism creates stress on the scarce resources, notably land and water and it is a significant contributor to local and global pollution.

As tourism can have lasting positive and negative impacts on the society in general and the environment in particular, therefore it is imperative that sustainable development practices are widely followed to have a balance between these impacts, so that an improved quality of life for the host community and the destinations could be created.

Benefits of Sustainable Tourism Practices

Sustainable tourism would contribute positively towards developing the economic, socio-cultural and environmental issues of a region. Sustainable tourism would guarantee long-term sustainability by making optimal use of environmental resources, and at the same time, maintaining essential ecological processes by conserving natural resources and bio-diversity. It respects socio-cultural diversity of the host community, conserves cultural heritage and contributes sensibly to inter-cultural understanding and tolerance. Sustainable tourism ensures economic prosperity by providing employment and income generating opportunities and contributes to poverty alleviation.

Guiding Principles and Approaches towards Shaping Sustainable Tourism

Tourism industry can be sustainable only if the government with the support and participation of other stakeholders works on formulating strong policies. The following are the principles and approaches that are specifically devised for the policy makers that may act as a guide map for promoting sustainable tourism. Tourism should be well treated as part of developmental efforts to revamp local communities. Its impact on other sectors for use of resources should not be forgotten. Over-dependency of an economy on tourism must be avoided. Sustainable tourism should be planned taking into view its long-term implications on use of input factors and finances. Tourism often leaves its direct implications on the environment and the local community. Therefore, sustainable tourism should aim at paying attention to global impacts, especially with respect to pollution and climate changes and use of non-renewable resources. Sustainable tourism should also focus on generating quality jobs for the local community

keeping into consideration the factors like pay, conditions of services, and without any discrimination. Tourism has the ability to create strong backward and forward linkages in the economy. To ensure sustainability of tourism operations, policies must not be limited to only tourism; rather it must be well linked with other sectors and industries. Some actions proposed by UNCTAD to catalyze the development of sustainable practices across all sectors that are connected to tourism including strengthening productivity of the agricultural sector and its linkages to tourism, providing small-scale businesses with start-up grants, education and training, and low-interest loans to stimulate SME development, introducing incentive measures to encourage hotels and restaurants to source inputs locally and relaxing and licensing requirements so that small-scale businesses can participate in the downstream tourism value chain.

Although tourism is an effective way of increasing employability among the unskilled workers, it is also increasingly important at the same time to expand tourism market by facilitating the need for specialized training by encouraging management training, information technology and introduction to foreign languages. The skill base should therefore be compatible with the changing needs of tourism related activities but should be adopted only through complying with sustainability standards. The development of tourism infrastructure is highly dependent on finance. In many developing countries, access to credit is extremely costly and acts as a major constraint; and public spending for building and upgrading infrastructure is often very limited. Policies should thus facilitate access to credit, especially for SMEs, given that they are the backbone of the tourism industry. More importantly, policies must not only encourage private investment but must also pave the way for foreign investments. As a highly interconnected industry, maximizing the potential of tourism requires coherent and comprehensive policy frameworks. Such policy frameworks need to ensure that sustainable tourism is integrated into the country's overall economic, social and environmental policies. It also calls for strong tourism agencies that are capable of coordinating with other governmental agencies and stakeholders, such as local authorities, the private sector and NGOs. Promotion and marketing of tourism destinations require a coordinated approach developed jointly with the private sector. Investment promotion agencies can play an important role in reaching out to foreign investors, guiding them towards sustainable development, and targeting foreign investors in economically, socially and environmentally sustainable projects³. Many governments are already actively engaged in supporting tourism through marketing, information services, education and in other ways, often through joint public-private partnership. It is essential to create partnerships with local communities to enable the assessment and management of the impacts of tourism on their communities and their heritage by minimizing damage and enhancing local prosperity.

³ URL: <http://www.unctad.org> (accessed on 27.09.2013)

Growth Trends of the Tourism Industry in India

Indian Economy has witnessed a robust growth through the contribution of the tourism industry in the recent past. If we carefully examine, it would be quite evident from the data given below that international tourism has grown in India over the years. Tourism has been an important sector of the Indian Economy and contributes substantially in the country's foreign exchange earnings. International receipts have grown considerably with a growth rate of over 6% in 2013.

Year	International Tourist Arrivals (in millions)			International Tourism Receipts (In US \$ millions)		
	2010	2011	2012	2010	2011	2012
	5.76	6.30	6.64	14,490	17,707	17,971

(Source: UNWTO)

The domestic tourist visits, on the other hand, was estimated to be around 740.2 million in the year 2010, showing a growth rate of 10.7% over the year 2009.

Sikkim- The Destination

Sikkim is a small mountain state situated in the eastern Himalayas. It has a geo-strategic advantage as it is bounded by Tibet on the North, Nepal on its West, Bhutan on the East, and West Bengal in the South. It was once a Himalayan monarchy and part of the fabled Silk Route to China.

Sikkim is blessed with exquisite natural beauty, salubrious climate, rich biodiversity and a friendly host population, making it an important tourist destination in India. The panoramic perfection of the snow-capped Himalayas, the heady scent of flower-bedecked meadows, the vibrant culture and joyous festivals, the infinite variety of its flora and fauna makes it a holiday destination that is at once fascinating and challenging. The crowning glory of Sikkim is Mt. Kanchenjunga, the third highest mountain in the world. With magnificent snow and ice scenery it is often regarded as the undisputed monarch among the peaks of the world.

Sikkim has much to offer all her visitors. From popular home stays where one can get a first-hand experience of rural Sikkim, to endless possibilities for adventure sports, ancient monasteries, and flamboyant festivals, the State is a naturally gifted place.⁴ Sikkim Tourism has much to offer its tourists in the form of following tourist products:

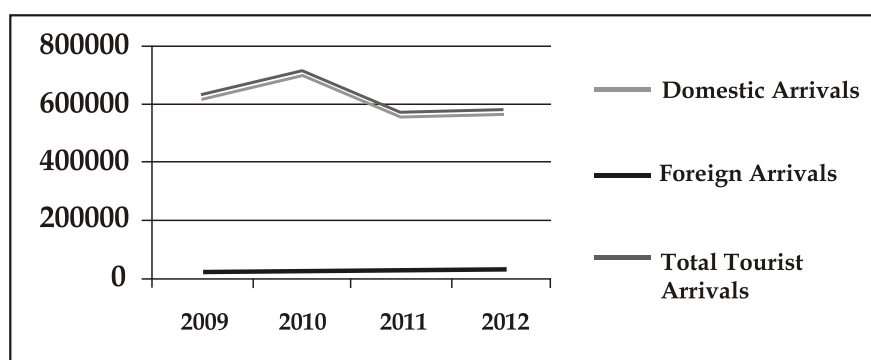
- Organic, Green and Pollution Free State
- Very rich Culture, traditions, heritage and strong commitment

⁴ URL: <http://www.sikkimtourism.gov.in> (accessed on 27.09.2013)

- Eco-tourism & Wildlife
- Village Tourism
- Adventure Tourism
- Wellness, Health, Yoga, Herbal and medical tourism
- Religious, culture, Heritage and pilgrimage Tourism
- Conference Tourism and many more

Growth Trend of Tourist Arrivals in Sikkim

The domestic arrivals in Sikkim have been mostly dominated by states like West Bengal, Delhi, Maharashtra, Gujarat, and Andhra Pradesh. As far as foreign tourists are concerned, the major markets are likely to be Germany, France, UK, USA, South-East Asia and Japan. If we examine the number of tourist arrivals in the past few years, we can see that although there is some downturn on domestic tourist arrivals, but foreign arrivals have been continuously on a surge.



(Source: *Sikkim Tourism, Growth Statistics*)

Sustainable Development Practices adopted by the Tourism Sector in Sikkim

The vision statement of the tourism policy of the state envisages of attaining “an accelerated path of eco-friendly sustainable development with focus on income generation for the youth and the poor”.⁵ Going by the vision statement, let us analyze some of the sustainable development practices followed by Sikkim Tourism to upgrade the sector.

Conservation and sustaining the key resources

Sikkim Govt. is constantly working on water and power saving ways, water recycling, reduction and avoidance of wastages. The govt. has also set up various experts from around the world to upgrade its existing water supply, sanitation and solid waste disposal system.

⁵ URL: <http://www.tourism.gov.in/AboutUs/ITDC.aspx> (accessed on 27.09.2013)

Conservation and Protection of the environment

The state has been following a green development agenda with a special focus on the environment. Sikkim is one of the first states in the country to ban the use of polythene bags. There is also a ban on cutting healthy trees. The state is also moving towards eco-tourism.

Promoting Organic Tourism

Sikkim has already been declared as organic state. The chief minister of Sikkim, Shri Pawan Chamling, made a declaration in the Budget session of Sikkim Legislative Assembly in February, 2003 to make Sikkim an organic state with doing away of the use of synthetic fertilizers, pesticides, plant growth regulators and additives in the state. This decision had been arrived at with the objective to achieve an economically and environmentally sustainable production system of agriculture and to promote soil, plant, animal, human and environmental health and well being.

Hygiene- Solid- Waste Management

The state government has already taken up action on this front. The “Total Sanitation of Sikkim” is the goal of the government by ensuring healthy sanitary conditions and safe drinking water for the entire state, not for tourist destinations alone.

Community attitudes and culture in the design and execution of tour products

Sikkim has initiated project in sustainable human development with a positive track record in the conservation of bio-diversity and progress in human development. With the thrust on sustainable livelihoods together with a balanced eco-friendly development, the state endeavors to ensure that it is a successful model of human development.

Maintenance of tourism-friendly monuments

The Namgyal Research Institute of Tibetology and the State Archaeological Department have been bestowed with the responsibility of preserving the age-old manuscripts, monuments, statues, temples, monasteries, that form the rich cultural heritage of Sikkim. Some funding for maintenance of the monasteries is also received from the Japanese govt.

Promotion of Eco-Tourism

Eco-tourism is greatly promoted in protected areas. No area is being opened without through scrutiny and evaluation of the impact on the environment. The govt. has also closed those areas on which eco-tourism is having adverse impact on environment. To protect the habitats and bio-diversity of the area, one national park and four wild-life sanctuaries have been declared as protected areas.

SWOT Analysis

Having analyzed the various practices for promoting sustainable tourism in Sikkim, let us review the key Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T) that would help make the sector more competitive in the light of the opportunities available for better promotion of the tourism industry, aiming at sustainability.

Strengths include strong vision towards sustainable tourism, rich natural resources with pollution-less environment having unique ecology: rich flora and fauna, rich cultural heritage with strong initiative to promote and conserve the cultural heritage. Following of organic tourism, promotion of eco-tourism and Strong waste management system along with strong practices to conserve the natural resources.

Weaknesses include problem of land acquisition, over-exploitation of various sites, insufficient availability of water supply for the local community which has led to many species being on the verge of extinction due to deforestation and habitat destruction. Poor infrastructure development and failing to effectively implement sustainable development practices at all levels are some of the weaknesses.

Opportunities include a himalayan state having presence of natural resources and rich cultural heritage with unique location and wellness tourism. Wilderness tourism is an attraction because of unique wetland and adventure tourism.

Threats include failing to effectively resolve the weaknesses identified and effectively adopt and the implement sustainable development practices at all levels.

Conclusion

Sikkim is an ideal destination for following eco-tourism and sustainable development practices, in view of its strong scenic beauty, congenial climate, rich bio-diversity and cultural heritage. Strategically, tourism is important in Sikkim as it is not viable to promote medium and heavy industries considering its geo-physical location. Hence, tourism is the best source of growth and revenue generation for the state. However, in light of the various weaknesses and possible threats, the state govt. must put constant efforts to prove sustainable tourism does exist in the state and can economically benefit the people of the region.

The impact of tourism on an economy can be varied and many. It has been rightly discussed that tourism has the potential to contribute effectively to the growth of an economy and at the same time can pave the way for eradicating poverty by creating income and employment generating opportunities for the local community. However, its negative impact on the environment and on the cultural heritage cannot be neglected and overlooked. Thus, it must be ensured by the policy makers that tourism and tourism-related activities contributes effectively towards sustainable development. Therefore, sustainable tourism practices must become an important objective in the development process of an economy.