INTERNATIONAL COLLOQUIUM
ON
REGIONAL GOVERNANCE AND SUSTAINABLE DEVELOPMENT
IN TOURISM-DRIVEN ECONOMIES
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REGIONAL GOVERNANCE AND SUSTAINABLE DEVELOPMENT IN TOURISM DRIVEN ECONOMIES
A paper on

Regional Governance and Sustainable Development in Tourism driven Economies

1.0 Background

Let me take this opportunity to congratulate United Nations and the State of Quintana Roo in organising a colloquium on “Regional Governance and Sustainable Development in Tourism driven Economies”, a subject which is very relevant in the present context of global economy. I am representing a small State named Kerala located in the southwestern corner of India, where tourism has already become a core competency sector and is slowly becoming tourism driven economy.

Before I go more into the tourism industry in the State of Kerala let me share some of my general thoughts on the sustainable tourism development. Tourism as everybody knows, as a result of technological advancement and improvements in communications, has become one of the fastest growing industries today. Global tourism is expected to continue to expand because people are beginning to discover more and more new destinations, and the travel industry is becoming more and more organised.

The undeveloped and developing countries promote tourism as a means of generating foreign exchange, increasing employment opportunities, attracting development capital and enhancing economic independence. It is often urged that existing forms of mass tourism development are unsustainable in terms of the negative impacts on the environment, the way in which it corrupts local cultures and the manner in which any potential economic benefits are frittered away. It is from this negative premise that the thought of “sustainable tourism” takes its position to redress the impact of tourism and establish forms of new tourism that are environmentally, economically and culturally sustainable.

2.0 Kerala – General Facts

India is the largest democratic republic in the world with immense possibilities of growth in the tourism sector with vast cultural and religious heritage, varied natural attractions but a comparatively small role in the world tourism scene. Kerala located at the southwestern tip of Indian sub-continent has already become one of the leading
tourist destinations in the country. The State has 38,863 sq.km of area with a population of 32.84 million as per 2001 census. The major cities in Kerala are Thiruvananthapuram (State capital), Kochi, Kozhikode, Kollam and Thrissur. The State has a tropical climate. The economy is mainly agro based with rubber, cashew and spices bringing in valuable foreign exchange. The marine industry is also one of the major components of Kerala’s economy. The trend in last few years shows that the tertiary sector is rapidly increasing in importance. It contributes almost 50% of the State income. The primary sector is also a significant player, with a contribution of about 30% towards the State income, though its importance is gradually diminishing.

3.0 Significance of Tourism in Kerala

The unemployment in Kerala is around 4 million. In the context of the poor prospects of manufacturing sector and the severe threats being faced by the agricultural and traditional sectors, tourism is considered to be the best alternative for priority in the State development. Sustainable tourism development not only improves the State’s income, brings in valuable foreign exchange and increases employment but also results in distribution of benefits across the State as opposed to most of the other sectors which tend to localise the economic and social benefits to a particular region. This is more so in Kerala where quality tourism assets are dispersed through out the State.

4.0 Tourist Attractions

Kerala stands unique in the matter of its rich tourism experience keeping the customs and traditions of the State in tact, at the same time receptive to new ideas and alien culture. The State has a long list of tourist attraction centres, ranging from Portuguese ports, Dutch Palaces, British bungalows, to churches, mosques and temples attracting all types of tourists and nationals. Sandwiched between the Western Ghats and the Arabian Sea, Kerala is blessed with unmatched natural diversity that provides immense scope for tourism. Within her 38,863 sq.km, this virtual paradise holds almost all the tourist attractions of the world – serene beaches, enchanting backwaters, mist clad hill stations, lush forests, exotic wildlife, exciting trekking trails, scintillating waterfalls, extensive plantations, tropical islands, invigorating monsoons, Ayurvedic health centres, historic monuments, sacred pilgrim centres, magical festivals, spectacular art forms, splendid cultural heritage, spectacular boat races, spicy cuisine …. and everything else that enthralls a visitor.
A physical quality of life comparable to developed nations and almost fully literate population in this beautiful land are important factors that helped transform Kerala into an important tourist destination.

5.0 Important Tourist Centres

The important tourist destinations in the State are Kovalam - a world renowned beach resort, Kumarakom - the most important backwater destination, Thekkady – one of the best wildlife sanctuaries in the country, Munnar – the fastest growing hill station, Kochi – the meeting point of heritage and modern developments, Thiruvananthapuram – the capital city and Kozhikode – once the capital of the powerful Zamorins and now a prominent trade and commerce centre. There are three international airports, good railway network and a reasonably well knit road network to facilitate easy movements of the tourists within and from outside the State. All the destinations are developed with quality basic amenities like drinking water, power and communication.

6.0 International and National Acclaims

Kerala has emerged as the most acclaimed tourist destination of the country in the recent past. World Travel and Tourism Council has selected Kerala as a Partner State. National Geographic Travel after 2 years of research has chosen Kerala, as one of the 50 must see destinations of a lifetime. Kerala has been stated as one of the 10 paradises of the World. The other acclaims received by Kerala Tourism include ‘One of the 100 great trips for the 21st Century, by ‘Travel and Leisure’; ‘One of the ten hot spots for the millennium, by ‘Emirates Inflight Magazine’; One of the best breakfast in the world, by ‘Travel & Leisure’; ‘One of the ten love nests in India, by ‘Cosmopolitan’; One of the six destinations of the millennium, by ‘Khaleej Times’.

Kerala has won the Best performing State award instituted by Outlook Traveler for the year 2000-2001. Kerala has also been awarded the Best performing State Award by ‘Government of India’ for three years consecutively i.e. for the years 1998-99, 1999-2000 and 2000-2001 for achieving rapid growth, development and advancement in the tourism sector.

7.0 Growth in Tourist Arrivals

Kerala Tourism has recorded remarkable growth in the last few years. The number of foreign tourists visiting the State have increased from 42 thousands in 1985 to 210 thousands in 2000 showing an average annual growth of 27%. The domestic
tourist arrivals to the State has increased from 0.33 million in 1985 to over 5 million in 2000 showing an average annual growth of 94%.

Though tourists from all parts of the world visit Kerala every year, the top five countries in terms of tourists origin are United Kingdom, Maldives, Germany, USA and Sri Lanka. Sizeable number of tourists also come from France, Italy, Switzerland, Arabian Gulf, Japan and Australia. The distribution of tourists by occupation shows that the proportion of service and business segments are dominant. The distribution of tourists according to income level shows that Kerala attracts more higher income tourists in both domestic and international categories. Kerala is predominantly visited by tourists interested in holidaying, sightseeing and relaxation. 83% of the foreign tourists are found to be pleasure tourists.

8.0 Revenue and Income Generation

The revenue generated in the economy of Kerala due to tourism is estimated to be nearly $ 100 million which is 6.29% of the State’s GDP. A recent study conducted to assess the economic impact of Tourism in the State shows that the output multiplier due to expenditure of tourists in Kerala is 2.07 considering the direct and indirect impact. If we consider the induced effect also, this figure is as high as 8.83.

Tourism has generated employment in Kerala to the tune of nearly 0.7 million. The employment multiplier (direct and indirect) for Kerala in tourism has been worked out as 4.62.

9.0 The Vision of Kerala Tourism

The Vision of Kerala Tourism is to make the State, the God’s Own Country, an upmarket high quality tourist destination through rational utilisation of resources with focus on integrated development of infrastructure sector conserving and preserving the heritage and environment and that enhance productivity, income, creating employment opportunities, alleviating poverty thereby making tourism the most important sector for the socio-economic development and environment protection of the State.

The plan of Kerala Tourism is to increase the earnings from tourism at not less than 10% annually and to achieve an annual rate of growth of at least 7% in foreign tourist arrivals and 9% growth in domestic tourists arrival to create at least 10000 employment opportunities every year.
10.0 **Development of Tourism Infrastructure**

Tourism infrastructure in the State has been developed mainly through private sector participation. Government is taking the lead role in development of basic amenities, information dissemination, regulation of the quality of tourism products, development controls and promotion and marketing of the destinations. Government also acts as catalyst and facilitator for private sector investments.

There are about 20,000 hotel rooms in the State out of which about 5000 are in classified category. Major hotel chains in the country such as Taj Groups, Oberoi Groups, Le Meridien, Club Mahindra etc have established their hotel chains in the State. Casino Group, Kerala Tourism Development Corporation etc also possess chain of very high standard hotels in the State. Amusement parks, golf course, water sports, ropeways etc add to the recreational facilities. In the Government sector many units of budget accommodation, wayside facilities, pay & use toilets etc have been developed at all tourist centres. Government has also established joint venture projects with major hotel chains.

11.0 **Marketing**

Kerala Tourism has already established its brand name ‘God’s Own Country’ in the world tourism industry. Kerala emphasised in focussed marketing of the destination during the last few years. The strategy for marketing has been to position Kerala as a unique stand-alone destination targeting upmarket tourists seeking peace and difference. In marketing the State uses the latest developments in Information Technology. The website of Department of Tourism, Government of Kerala [www.keralatourism.org](http://www.keralatourism.org) is the best tourism website in the Country. Department has also come out with a number of CD-ROMS. Electronic media is effectively used for publicising the products. Kerala Tourism has been participating in major international and domestic tourism trade fairs along with the private sector.

12.0 **Tourism and Culture**

Tourism has played a major role in reviving and protecting culture in the State. Many a traditional art form would have fast disappeared from the scene but for the patronage of Tourists and Tourism agencies. It is also encouraging to note that more young people are rediscovering their heritage and culture due to the efforts of tourism. Annual events like Tourism Week celebrations, Festivals and regular programmes in tourist resorts and hotels also sustain many cultural forms. Many traditional buildings,
which were either neglected or discarded, are being rediscovered and put to alternate use thanks to the growth of tourism and the interest foreigners are showing in these products. Handicrafts industry and antique markets are also active due to tourism. While almost all the host communities are effected by tourism in one way or the other there is a general fear, often not unfounded, that tourism can adversely affect the cultural fabric of the host community. Kerala also is highly concerned about this aspect and in fact there are a large number of groups within Kerala that are highly concerned about the impact of tourism on culture and keeping a watchful eye on tourism development. Art forms, especially traditional art forms, are not meant to be commercial. They are collective expression of a society, its reflection on the day-to-day lives of the people and a social form of communication. The greatest fear of purists is that many of the art forms developed and preserved by the people of Kerala due to their sheer love and affection for that art or craft are being turned into gross commercialization. To quote an example, Kathakali, the well known stylized dance drama of Kerala, requires 14 to 16 years of rigorous training to become a Kathakali artist. It requires a whole night to present a Kathakali play. But today young people are interested only in learning the basics of Kathakali and to perform in front of foreign tourists for 15 to 30 minutes for making more money. Similarly artisans in large numbers started reproducing copies of same artifacts mechanically and are loosing their artistic talents. Another area, which traditionally well patronized in the State, was "ayurveda" the Indian system of medicine. Oil massage using ayurvedic herbs have become extremely popular among foreign tourists in Kerala today. Along with that, complaints of misuse of the name of ayurveda for nefarious activities have also come up in the State. The State Government has recently introduced voluntary approval system for ayurveda centres to overcome this. Similarly, temples are places of worship in India. But the presence of large number of visitors visiting the place only as a tourist attraction resulting in the commercialization of these places of worship. Government, by understanding the changes taking place in the society as above, is trying to restrict the number to quality tourists by not focusing on mass tourism. By educating the tourists to respect the local customs and culture and by enforcing strict regulations government hopes to minimize the negative impact of tourism on the host communities.
13.0 **Unique Tourism Products**

Kerala has developed a large number of unique tourism products based on our culture and tradition. The most important ones are given below.

i) **Backwaters:** Backwaters of the State is promoted as the Unique Selling Proposition (USP). The *houseboat* developed from the traditional kettuvalloms used for transporting goods in earlier days through the backwaters and canals of Kerala is an example. The kettuvalloms (rice boats) are made with large planks tied together using handmade coir ropes and beaten coconut fibres without applying any nail. The boats are then applied with fish oil and cashew nut oil for curing. Kettuvalloms lost its usage due to the development of road network and were lying unused for quite a few years. This has been now converted into houseboats used for tourist accommodation with modern facilities to suit the interest of high quality tourists. There are more than 200 houseboats in the State, majority of them are with 1 to 2 bedroom capacity. In the process of development of this new product the traditional craftsmen and the local people are benefited in their socio-economic development.

ii) **Ayurveda:** Ayurveda, the traditional health care system of Kerala is now very effectively used for tourism promotion. The treatments and rejuvenation therapies offered by this system has been widely accepted by the international and domestic tourists. A number of quality facilities have come up in this sector giving employment opportunities and livelihood to thousands of local people.

iii) **Thekkady Tiger Trail:** The ‘Thekkady Tiger Trail’, a prestigious tourism product of the State introduced during 1998-99 in collaboration with the State Forest Department envisages a 25-30 Km trek through the Thekkady Wildlife Sanctuary enabling the tourists to have a close range view of the tropical forest and its flora and fauna including the tiger and 34 other species of mammals. This project is a living example of the pro-active partnership with the government bodies, local population and private enterprises to maintain sustainable development and heighten the awareness of the need to preserve nature for posterity. The two-nights/three days trek programme takes tourists to any two of the six identified campsites in the Periyar Tiger Reservoir in one trek.

iv) **Traditional Art Forms:** Kerala is in the forefront to make use of its immensely rich unique culture in tourism promotion. The tradition of classical and folk-arts in Kerala dates back over a thousand years. Koodyattom, the oldest art form of Kerala
recently selected by UNESCO for proclamation as an oral and intangible world heritage. Kathakali, Mohiniyattam, Thullal, Theyyam, Thira etc. are revived due to tourism. The traditional martial art ‘Kalaripayattu’ is now one of the most magical experience for the tourists. All the persons involved in these art forms are now beneficiaries of tourism and are only surviving because of this sector.

14.0 Eco – Tourism

Another area, which is becoming popular in Kerala, is eco-tourism. Eco tourism contributes to the conservation of the natural areas by providing economic incentives and revenue for the Government to preserve and manage natural areas. It utilizes the natural resources and provides employment to the local people. The built in environment education programmes raises the awareness of the local people and helps in conservation of the natural resources. Kerala has commissioned an exclusive eco-tourism project at Thenmala in the Western Ghat. Activities such as trekking through rain forests and wild life sanctuaries, staying in tree top huts etc are also gaining popularity. United Nations has declared the year2002 as the year of eco-tourism. Kerala has already geared up to meet the challenges of converting the entire tourism trade in the state to eco-friendly tourism. Generally tourism is a fairly large consumer of power. But the tourism trade in Kerala is motivated to promote power conservation by encouraging natural ventilation instead of artificial air conditioning. It aims to create the absolute minimum impact on forests, wild life sanctuaries, farms and other environmentally sensitive region. Tourism has resulted in. An attempt is being made to reduce the numbers of motor boats in the backwaters of Kerala to minimize the pollution. In their place traditional boats, which use wind or human energy, are encouraged. Indiscriminate use of chemicals, fertilizers such as chemical manure in gardens, chemicals for cleaning and washing etc. are discouraged. Government is in the process of developing an eco-guide for all tourism products in the state, which could become a general handbook for all tourism products to follow.

15.0 Decentralization and tourism

In India there are five tiers of Government. These are National, State, District, Block and Panchayats. All these tiers have their own revenue streams, functions and responsibilities. Tourism is an area where all these Governments are concerned in some way or the other. Federal Government assists the States in infrastructure development, formulates National policies and also does international promotion and
publicity. States do internal and external marketing and develop infrastructure. Kerala has embarked on a trajectory of rapid decentralization. This was possible through the transferring of the functions, powers and resources to the 3 level local government system prevailing in the state, at district level (District Panchayat), block level (Block Panchayat) and village level (Grama Panchayat). The objective of the decentralization has been to improve the quality of investment by allocating resources for priorities fixed by the local people, to facilitate emergence of local solutions to developmental problems through improved planning, better implementation and to enable people’s participation in execution. To operationalise decentralization, Kerala chose the path of participatory local level planning as the entry point known as "People's Planning Campaign". The People's Planning Campaign has succeeded in providing a concrete methodology for participatory planning for local level development. The needs identification is done through a meeting of Grama Sabha/Ward Sabha, which is the smallest electoral unit. Based on the demands emanating from the Grama Sabhas and the developmental data including the resources, exhaustive developmental Reports are made at Local Government level. This report is discussed at a one-day seminar and the Sectoral Committees/ Task Forces constituted at the Local Government level then translate the project ideas into projects. The projects thus finalized will then be submitted to the District Planning Committee (DPC) for approval. Kerala Government is transferring 40% of its Plan allocation to the local self-governments to take up developmental projects. The experience in the decentralization in Kerala is that there have been tremendous improvements in the sectors like housing, water supply, sanitation and connectivity. Eventhough tourism was not a subject, which has been transferred to local governments, there has been keen interest and people's participation in development of local tourist destinations by improving basic infrastructure, conserving heritage areas, and facilitating private investments.

Another successful experiment in decentralization of Tourism is the formation of District Tourism Promotion Councils with the District Collector as the Chairman. This body, which is formed to promote Tourism at the local level, has representatives from the tourism industry, people’s representatives, and tourism experts in addition to officials. Most of the councils have been working actively in developing local attractions and spreading awareness on tourism.
16.0  **Local entrepreneurship**

Tourism becomes a people’s activity only if it benefits the local population. Kerala is well known for its physical quality of life. It is also known for its vibrant democracy and excellent law and order situation. But it is not well known for its efforts in promoting trade and commerce nor are Keralites known to be great entrepreneurs. One of the major problems the state is facing is poor image as a not so friendly place for business. The State has been often quoted as a place of militant trade unions. It also has limited raw materials. The state can be best described as a consumer state than as a manufacturing centre. However in the field of tourism many local entrepreneurs are coming forward to invest in the state. Most of them are local and small start up firms. In hotels, resorts, tour operation, houseboat ownership, ayurveda centres, home stays etc. large number of small enterprises are coming into the state. The Government is also making earnest efforts to promote investments in the field of tourism by offering many incentives. All these in the long run will result in tourism boom in the state.

17.0  **Tourism Awareness Campaigns**

Kerala Tourism has launched a Statewide Tourism awareness campaigns intended to impart awareness to the public, persons directly dealing with the tourists etc on the impact of tourism on economic, social and physical development of the local population and on the need to welcome the tourists in a cordial manner.

A multidimensional project with people’s participation to ensure a cleaner, healthier and hygienic environment, with special emphasis on tourism has also been initiated.

18.0  **Focus on Sustainability**

Eventhough tourism is contributing much in the State in terms of economic, social and physical development, it is also having certain negative impacts. Unbridled and indiscriminate growth of tourism lead to problems of pollution, environmental and ecological hazards and cultural degradation. The developed tourist destinations are affected by haphazard developments all around including unauthorised
constructions, solid and liquid waste problems, traffic congestion etc. Developing tourism in a sustainable manner is the greatest concern of the Government and the players in the tourism field. Kerala had unfortunately one bad example in Kovalam Resort. This is a suburb of the capital city of Thiruvananthapuram, located about 13Kms from the Airport and was known as one of the best beaches in the world was developed as a beach resort in the 1970s. Though no comprehensive planning was done this tourist centre was meant to cater to only a handful of luxury resorts. But in practice, without any planning or control a large number of small and medium hotels and resorts totally lacking in aesthetics and quality came up here. Slowly Kovalam got a bad name and tourists started patronizing the destination less and less. Having learned a lesson the Government and the people are very keen to restore Kovalam to its pre-eminent position as a major tourist resort of India. At the same time Kerala is extremely careful to see that Kovalam story is not repeated anywhere else. Kerala is taking all steps in promoting sustainable tourism development with focus on conservation and preservation of heritage. A new legislation called Tourism Conservation, Preservation and Trade Act has been formulated to control the developments in the Special Tourism Zones with specific guidelines for developmental activities including architectural controls. Whenever a new product is developed in the tourism industry Government is very cautious on ensuring quality of that product. For example, to ensure quality in facilities and services offered by the new products such as houseboats and ayurveda, Department of Tourism has come out with system of classifications to grade the units based on their qualities. This classification was kept as voluntary to avoid compulsory licenses, which will be only taken negatively by the industry.

India has one of the toughest legislations as far as Coastal Zones are concerned and Government strictly controls all construction activities within 200m of high tide line. Similarly, the planners don't want an unsustainable growth rate. Considering the fragile environment in the State, Kerala intends to focus marketing efforts to attract the higher end tourists to maximize the benefit with minimum numbers. The Tourism Vision 2025 of Kerala envisages only 7% increase in international visitors and 9% increase in internal visitors to the state. These are very modest targets that are easily achievable and sustainable.
19.0 Conclusion

As seen, Kerala is an example on how the benefits due to tourism is percolating into the State economy and benefits the local population. The challenge now faced by the State is to sustain these benefits by minimising the negative impacts on the destinations. Government is taking all care for the sustainable development of the region by learning from the mistakes of older destinations in the world. Kerala feels that it will continue to be a tourism driven economy due to the focussed and concerted efforts of the Government with the private sector participation and involvement of local population in the development process.