

THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

Enlivening Kerala Model Via Tourism

Shiji O.

Ph.D. Research Scholar, Department of Economics, Dr. John Matthai Centre, University of Calicut, Aranattukara, Thrissur, India

Abstract:

Kerala economy is a tertiary sector based economy with insipid commodity producing sector namely, primary and secondary sectors and spurt in service sector breakthrough in one fell swoop. Its unique character shows the high standard of social indicators with comparatively low per capita income. We can find that the growth of the service sector is definitely contributed by the Achievements such as low levels of infant mortality and population growth, and high levels of literacy and life expectancy, along with the factors responsible for such achievements have been considered the constituting elements of the Kerala model. The 'Kerala Model' of equitable growth emphasised land reforms, poverty reduction, educational access and child welfare. In other words, the Kerala Model of Development has resulted in attaining to a certain extent the goals of development: equitable public distribution of scarce food grains, less unjust agrarian relations, declining birth rate, increasing holding power of the primary school, a not unsatisfactory minimum wage system and widespread, more universal health facilities etc. However, the contribution of tourism sector is very high for the maintenance of this Model of Development

Keywords: Kerala economy, Kerala model, development, tourism, service sector.

1. Introduction

The Kerala economy is a service oriented economy with significant share of tertiary sector in the composition of state income. An analysis of the long-term growth performance of Kerala economy clearly shows that the growth path of the 1990s is higher than that of India. This resurgence in growth is mainly contributed by the growth of the tertiary sector which contributes more than 50 per cent of NSDP's growth besides absorbing an equal amount of the workforce. We can find that the growth of the service sector is definitely contributed by the tourism sector. Going forward, the economic activity of travel and tourism is expected to grow by 4.6 percent per annum worldwide, while it would post an average annualised gain of 8.8 percent for India between 2003 and 2013.

1.1. How Does Tourism Contribute to the Kerala Model?

The Kerala model of development is based on the development experience of the southern Indian state of Kerala. It refers to the state's achievement of significant improvements in material conditions of living, reflected in indicators of social development that are comparable to that of many developed countries, even though the state's per capita income is low in comparison to them. Achievements such as low levels of infant mortality and population growth, and high levels of literacy and life expectancy, along with the factors responsible for such achievements have been considered the constituting elements of the Kerala model. More precisely, the Kerala Model has been defined as a set of high material quality-of-life indicators coinciding with low per-capita incomes, both distributed across nearly the entire population of Kerala. The 'Kerala Model' of equitable growth emphasised land reforms, poverty reduction, educational access and child welfare. In other words, the Kerala Model of Development has resulted in attaining to a certain extent the goals of development: equitable public distribution of scarce food grains, less unjust agrarian relations, declining birth rate, increasing holding power of the primary school, a not unsatisfactory minimum wage system and widespread, more universal health facilities etc.

The Kerala model is being termed as a Model based on social justice as opposed to the traditional Model based on GNP growth. Kerala model gets its credit because of the state's high standard of living (comparable to US or Europe) at very low per capita income which is only 1/80th of an US citizen's per capita income. This model is a set of economic practices developed in the state of Kerala, which resulted in attaining a high level of standards in human development, despite having a very low industrial development. The basic characteristic of the Kerala Model is the high level of social development and physical social quality of life disproportionate to its level of economic development. Education and health and their wider accessibility have been the twin pillars of the Kerala Model. A recent study by the UNDP (2013) highlights the comparative lead of Kerala among Indian states with respect to income, education, health and generally on human development index.

An analysis of the long-term growth performance of Kerala economy clearly shows that the growth path of the 1990s is higher than that of all India. Per capita net state domestic product in Kerala is also more than that of the all India average. This resurgence in growth is mainly contributed by the growth of the tertiary sector which contributes more than 50 per cent of NSDP's growth besides

absorbing an equal amount of the workforce (M.A. Oommen, 2008). The developmental experiences of Kerala have received worldwide attention because of the co-existence of a high standard of living with low per capita income (Centre for Development Studies 1975). In 2001, Kerala ranked first among the major states in India in the Human Development Index (Planning Commission 2002), though the state stood only ninth in terms of per capita net state domestic product (NSDP). This paradoxical development has come to be known as the 'Kerala model', which illustrated the capability of a society with relatively low income to achieve high physical quality of life indicators like high literacy, high life expectancy and low infant mortality (Franke and Chasin (1999), George (1999), Subrahmanian and Azeez (2000)).

A significant aspect of the 'Kerala model' is that even without having high per capita income, industrialisation and urbanisation, the state has reached the third stage of demographic transition and people get better medical care and education. However, while discussing the significance of the 'Kerala model', questions were often raised about the sustainability of high standards of living with low growth of the economy. To be precise, the state is not finding enough means to maintain high standard of living as it has become a low growth, high cost, low productivity, low investment and low employment economy (Government of Kerala 2002). A significant aspect of the 'Kerala Model' is that even without having high per capita income, industrialisation and urbanisation, the state has reached the third stage of demographic transition and people get better medical care and education. The Kerala economy has become a service oriented economy with significant share of tertiary sector in the composition of state income and its faster growth during the 1980s and 1990s (Jeromi, 2003). Kerala's remarkable progress in education and health under conditions of poor economic performance and low incomes, and the history of "public action" that lies behind that notable pattern of social advancement, are well known. The implementation of several egalitarian measures including land reforms undoubtedly makes the state an exemplar of success in post-independence India (Krishnaji, 2007). In sum, however unique Kerala might have been as a development model, it is an evolving one shaped by the dynamics of events and forces, some beyond its control (Oommen, 2008).

1.2. How Does Tourism Contribute to the Maintenance of This Model?

Tourism has emerged as a lead sector of the Kerala economy, with its impact in terms of economic growth and employment generated (Government of Kerala 2002). Tourism is considered as the alternative for the development of the state by the government, because of the limited prospects of the manufacturing sector, problems in the agricultural and traditional sectors and the uncertainties facing the gulf migrants. Kerala is far ahead of many other states in India in terms of planning and project implementation in tourism. The contributions of tourism in different areas are:

1.2.1. Tourist – Expenditure and SDP:

The growth in the travel and tourism demand for Kerala tourism industry contributes 1/10th to the state domestic product. Its contribution to the national GDP is about 6.23 percent. The total impact of the industry means that, in 2011 it contributed to nine percent of global GDP or a value of over US \$6 billion. This industry's direct contribution to world GDP grows by nearly three percent to US \$ 2 trillion. The direct contribution of travel and tourism to GDP was 19 percent of total Kerala, at 12.2 percent is higher than the growth witnessed for India (7.4 percent) and world (2.9 percent), clearly indicating the vibrancy of the sector and its growth potential (Tourist Statistics, 2011). This is directly reflected by the sector's impact on GDP, which again is higher for Kerala than for the country as a whole. In 2014, Kerala's tourism industry has netted record revenue of Rs. 24,885.44 crores, compared to Rs. 22,926.55 crores (Tourist Statistics, 2014) in the previous year.

1.2.2. Contribution to Foreign Exchange Earnings:

Tourism brings valuable foreign exchange to a country, without any exchange and export of merchandise. During the period 1951 – 81, India achieved a compound growth rate of 16.2 percent in foreign exchange earnings as against the world average of 13.5 percent. During the year 2011 the foreign exchange earnings of India was 4221.99 crore (tourist statistics, 2011). India's foreign exchange earnings grew by an astonishing 14.1 percent during 2001 – 10. This is the 3rd largest net earner of foreign exchange next to garments; gem and jewelers' industry recording earnings of 1988.40 crore in 2006 crore (tourist statistics, 2006). Foreign exchange earnings for the year 2013 in the state is Rs. 5,560.77 Crore which recorded an increase of 21.63 percent over the previous year. However, the total foreign exchange earnings increased to 6398.93 crore in the year 2014 (Tourist Statistics, 2014).

1.2.3. Contribution to Employment Generation:

Tourism as a source of Employment is particularly important for areas with limited alternative sources of employment, as is often the case in non-industrial areas deficient in natural resources other than scenic attractions and climate. Tourism provides decent and productive workforce for the work force. Millions of people throughout the world now depend directly or indirectly for their employment on tourism. Such employment generation may cover areas of direct interaction with the tourists, such as persons employed in hotels, airlines, tour operators, restaurants, retail, leisure and entertainment. Employment impact covering jobs associated with the input industries such as suppliers, government agencies and manufacturers of supplied commodities. Hence the direct cascading effect on employment generation is significant. In 2011, Travel and Tourism directly supported 24,975,000 Jobs (5.0% of total employment). On the other hand, the total contribution of Travel and Tourism to employment directly supported by the industry was 7.8% of the total employment (39,352,000 Jobs). The sector generated over 14 million direct jobs in the state. This means that the direct contribution of tourism sector to total number of jobs in Kerala was 9.9 per cent in 2009–12. The total number of jobs created directly and indirectly by the sector turned out to be 23.52 per cent of the total employment in Kerala (Tourist Statistics, 2013).

1.2.4. Utilization of Idle Resources:

Tourism can be visualized as an important factor on activating the idle resources of the nation. The tourist industry creates a demand for the natural resorts such as parks, coastline, dams and rivers, jungles, forests etc. It creates a value for these natural resorts, which otherwise would have remained idle. Kerala is famous for its natural beauty and its tourism industry depends on two natural strengths namely geographical positioning and the traditional heritage.

1.2.5. Inland Transport Development:

The various modes of inland transport also benefited due to the tourist expenditure. It is difficult to measure the beneficial effects of tourist on buses and coach travel. Sea and air excursions by tourists also contribute significantly to the growth of inland transport.

1.2.6. A New Market for Certain Products:

Tourism stimulates creation of new markets for the domestic industry. Tourists spend about 33percent of their money for on the spot purchases of national products. The product purchased by tourists is a part of the exports has not to pay any transportation charges and there are no risks as found in the case of international trade. Kerala is famous for its handicraft products and spices. Tourism offers a wide market for these products.

1.2.7. Tourism and Regional Development:

Tourism can be generating employment and economic growth in the backward regions of a country. Thus it can help to mitigate regional imbalances. The indirect impact of tourism on regional development could be as great as the direct impact. The development of tourism may entail a more complete utilization of the systems of infrastructure and other services. Thus, it improves the productivity of related investments.

The growing intensity of tourism stimulates the formation of new sub-areas of tourist interest. These areas act as a centre of attraction around which different residential and goods supply zones are formed. It has been observed that the growth of tourism has led to the development of hill areas in Kerala. Hill tourism is gathering momentum especially in Munnar and Waynad. This provides a new source of livelihood for the people for this region and removes their poverty significantly. In short tourism stimulates economic growth both at the national and local levels and promotes the growth of the agricultural, industrial and service sectors.

1.2.8. Tourism and Capital Investment

The impact of tourism growth on capital investment through the construction and manufacturing industry is most direct, with the industry responding to increased tourism demand through increased investment in constriction-accommodation, tourism products and leisure components-all translating to an escalation in capital investment. In2002, capital investment in Kerala's economy was Rs.1, 552 crore constituting 7.8% of the total investment in the state. As per estimates provided by the WTTC report, the capital investment in 2003 was Rs.1, 810 crores and is expected to grow to Rs.7510 crore by the year 2013(Haseena & Ajims, 2014). The table number 1 shows the capital investment into the tourism sector at Kerala and India level.

Particulars	2003		2013	
	Capital investment value	Percentage of Total Investment	Capital investment value	Percentage of Total Investment
India	412.9	7.0	161.67	7.4
Kerala	18.1	7.8	78.1	8.3

Table 1: Tourism Impact on Capital Investment

Source: Tourist Statistics, Department of Tourism, Government of Kerala (Haseena & Ajims, 2014).

1.2.9. Environmental Sustainability

The state's tourism agenda promotes ecologically sustained tourism, which focuses on the local culture, wilderness adventures, volunteering and personal growth of the local population. Efforts are taken to minimise the adverse effects of traditional tourism on the natural environment and enhance cultural integrity of local people especially by implementing Responsible Tourism projects. It raises awareness about environmental conservation and promotes waste management, recycling and biodiversity conservation. Kerala's tourism survival depends upon the sustenance of its key tourism products like backwaters, Ayurveda, heritage and art forms. The state has taken serious measures to work towards sustainable tourism development, protecting its products from degradation, abuse and pollution.

1.2.10. Social aspects of Tourism

- i. Utilization of Leisure Time: The increase in leisure time has today posed a serious problem as well as an opportunity. The art of using one's leisure intelligently is a supreme sign of civilisation. Surely tourism is the best form of using one's leisure.
- ii. Promotes gender equality and empower women: The tourism industry employs a high proportion of women and creates micro enterprises opportunities for them. It promotes women's mobility and provides opportunities for social networking (Haseena & Ajims, 2014).

- iii. Educational Value of Tourism: The role of tourism in education is highlighted by the slogan that tourism is 'education without schools'. It generates international emotional integration. Tourism has proved to be a unique vehicle for the cultural propagation which is necessary for a deeper understanding of people.
- iv. Tourism and International Understanding: Tourism promotes understanding by bringing diverse people face to face. The mingling of culture always has positive effects. It helps to break down prejudices, barriers and suspicions that exist between nations.
- v. Tourism Can Sharpen Perspective: Tourism can awaken the senses and heighten awareness of one's own milieu. A trip to foreign country is likely to provide new perspective and often more appreciation in viewing one's own community.
- vi. Develop a global Partnership for Development: Tourism stimulates the development of the transport infrastructure, which facilitates access to and from the least developed areas and developing areas.
- vii. Others: Another important features of the tourism with particular significance to India, is its contribution to national integration, preservation of natural as well as cultural environments and enrichment of the social and cultural lives of people. Tourism also encourages preservation of monuments and heritage properties and helps the survival of art forms, crafts and culture.

Economic survey 2011-12 described that the service sector continues to be a star performer as its share in GDP has climbed from 58percent in 2010-11 to 59percent in 2011-12 with a growth rate of 9.45percent. On the other hand, agriculture and allied sectors are estimated to achieve a growth rate of 2.5percent in 2011 – 12 and industrial sector has performed poorly, retreating to a 27percent share of the GDP. So we can find that the growth of the service sector is definitely contributed by the tourism. Going forward, the economic activity of travel and tourism is expected to grow by 4.6percent per annum worldwide, while it would post an average annualised gain of 8.8percent for India between 2003 and 2013. During the same period, the growth in real terms for Kerala is expected to be 11.4% (Haseena & Ajims, 2014).

2. Conclusion

The state of Kerala has high traditional values and social development with a culturally vibrant and politically vigilant society. The state is bizarre anomaly among developing nations, a place that offers real hope for the future of the Third World. Though not much larger than Maryland, Kerala has a population as big as California's and a per capita annual income of less than \$300. But its infant mortality rate is very low, its literacy rate among the highest on Earth, and its birthrate below America's and falling faster. Though mostly a land of paddy-covered plains, statistically Kerala stands out as the Mount Everest of social development; there's truly no place like it. For Kerala tourism is a "bread and butter" industry. Consequently, the state has taken this sector seriously, "making tourism everybody's business" (Haseena & Ajims, 2014). Thus tourism is one of the most striking phenomena of the present times and it offers man an opportunity to learn, to enrich humanity and to identify what may be termed as goals for a better life and society.

Acknowledgement: This research paper is prepared as a part of PhD Research and the research was supported by the grant from the U.G.C. to Shiji O. The data presented, the statements made and the views are solely the responsibility of the author.

3. References

- i. Adishesiah, Malcom, S. (1979). Some thoughts on the Kerala economy. In M.A. Oommen (Eds.), Kerala Economy since Independence. New Delhi: Oxford & IBH Publishing Co.
- ii. Centre for Development Studies (1975): Poverty, Unemployment and Development Policy. A Case Study of Selected Issue with Reference to Kerala, United Nations, New York.
- iii. Economic Review, Various Years, Government of Kerala, Trivandrum: Kerala State Planning Board.
- iv. Franke, Richard, W. & Chasin, H, Barbara. (1999). Is the Kerala Model Sustainable? Lessons from the Past: Prospects to the Future. In Oommen, M. A. (Eds.), Kerala's Development Experience. Volume I, New Delhi: Concept Publishing Company.
- v. George, K. K. (1999). Limits of Kerala Model of Development Centre for Development Studies, Thiruvananthapuram.
- vi. Government of Kerala (2002). Modernizing Government Programme (MGP). retrieved from <http://www.keralagov.com> on 30-10-14.
- vii. Dr. Haseena, V.A. & Dr. Ajims, P. Mohammed. (2014). Tourism Development as an Aggregation for the Growth of Kerala Economy. South Asian Journal of Social and Political Studies, Vol.14, No.2, 101-106.
- viii. Jeromi, P. D. (2003). What Ails Kerala's Economy: A Sectoral Exploration. Economic and Political Weekly, 1584-1600.
- ix. Kalaiyaran, A. (2014). A Comparison of Developmental Outcomes in Gujarat and Tamil Nadu. Economic & Political Weekly, No. 15, 55-63.
- x. Kibben, Bill Mc. (n. d). Kerala: A Case Study, retrieved from <http://www.ashanet.org/library/article/kerala.199803.html> On 30-10-14
- xi. Krishnaji, N. (2007). Kerala Milestones on the Parliamentary Road to Socialism. Economic and Political Weekly, 2169- 2176
- xii. Nithya, N.R. (2013). Impact of Globalization on "Twin Pillars" of the Kerala Model: Readings from the Post Globalization Studies. International Journal of Advanced Research in Management and Social Sciences, Vol.2, No.12, 258-276.
- xiii. Oommen, M. A. (2008). Reforms and the Kerala Model. Economic & Political Weekly, 22-25.
- xiv. Planning Commission (2002). National Human Development Report 2001, Government of India.
- xv. Subrahmanian, K. K. & Abdul Azeez, E. (2000). Industrial Growth in Kerala: Trends and Explanations. Working Paper Number 310, Centre for Development Studies, Thiruvananthapuram.

- xvi. Suresh Babu, M. (2005). Kerala's Growth Trajectory. Economic and Political Weekly,3291-3292.
- xvii. Tourist statistics (2000).Department of Tourism, Government of Kerala.
- xviii. Tourist statistics (2010).Department of Tourism, Government of Kerala.
- xix. Tourist statistics (2012). Department of Tourism, Government of Kerala.
- xx. Tourist statistics (2013). Department of Tourism, Government of Kerala.
- xxi. Tourist statistics (2014). Department of Tourism, Government of Kerala.
- xxii. www.keralatourismwatches2008
- xxiii. <http://www.keralatourism.org>
- xxiv. <http://www.wikipedia.com>
- xxv. <http://www.wttc.org>