

IMPACTS OF TOURISM

Tourism affects the economy and lives of communities and has proven to be a lifesaver for many destinations. But there are real and perceived fears that are sometimes attributed to tourism and largely related to poorly managed or mass tourism ventures.

For decade tourism industry growth has been a major contributor to increased economic activity throughout the world. It has created jobs both in large and small communities and is a major industry in many places. It is the dominant economic activity in some communities. Yet the impacts of tourism to a community are not widely understood – even where tourism is growing dramatically and should be of greatest interest or concern. The impacts of tourism can be sorted into three general categories:

1. **Economic Impacts.**
2. **Environmental Impacts.**
3. **Socio-cultural Impacts.**

Each category includes positive and negative impacts. Not all impacts are applicable to every community because conditions or resources differ. A goal of developing the tourism industry in a community is maximizing selected positive impacts while minimizing potential negative impacts.

Economic Impacts of tourism

The tourism industry generates substantial economic benefits to both host countries and tourist's home countries. Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economy improvement. The massive economic development brings along both positive and negative impacts.

Positive Impacts:

- Contributes to income and standard of living.
- Improve local economy.
- Increase employment opportunities.
- Improves investment, development and infrastructure spending.
- Foreign exchange earnings.
- Contribution to Govt. revenues.

Negative Impacts:

- Increase in prices.
- Increase in prices of goods and services.
- Increases prices of land and housing.
- Increases cost of living.
- Increases potential for imported labour.
- Economic dependence of the local community on tourism.
- Seasonal character of job.
- Infrastructure cost.
- Leakage
- Import leakage.
- Export leakage.

Positive Economic Impacts:

- **Contributes to income and standard of living:**

the economic benefits of tourism are well documented. In 2019 tourism contributed in India nearly \$194 billion contributing 6.8 % of India's total GDP. Especially in community owned / operated businesses the tourist re circulates adding to the multiplier effects to the local economy. Visitor inject money into the community by paying for products, services and experiences; largely food, accommodation travel and entertainment, and additional jobs ranging from low wage entry level to high paying professional positions in the management and technical fields, generate income and raise standard of living.

- **Improve local economy:**

tourism can be significant, even essential part of the local economy. It supports diversification of local economy by spending money at small businesses- tourism includes anything from buying fruit from a street ride vendor to buy stationary, to buy local music, clothes and other shopping. These are other local revenues that are not easily quantified, as not all tourist expenditures are formally registered in the macro economic statistics. The positive side of informal or unreported employment is that the money is returned to the local economy, and has a great multiplier effect as it is spent over and over again. The World Travel and Tourism Council (WTTC)

estimated that tourism generate an indirect contribution equal to 100 % of direct tourism expenditures.

- **Increase employment opportunities:**

tourism provide opportunities for regional development particularly for regional areas undergoing structural change. Being a labour-intensive industry, with the right encouragement tourism can deliver great employment and training opportunities particularly for young people.

With the rapid expansion of international tourism, scope of employment generation is also increasing. For example, in the year 2019 tourism industry contributed approximate 13% of the total employment in India, nearly 90 million people had employed in this industry. Tourism can create job directly through hotels, restaurants, night clubs, taxis, souvenir sales and indirectly through supply of goods and services needed by tourism related businesses.

- **Improve investment development and infrastructure spending:**

as tourism grows, additional opportunities are created for investment, development and infrastructure spending. Tourism often induces improvements in public utilities such as water, sewer, sidewalks, lighting, parking, public restrooms, litter control, and landscaping. Such improvements benefit tourists and residents alike. Likewise, tourism encourages improvement in transport infrastructure resulting in upgraded roads, airports, public transportation, and non-traditional transportation. Infrastructure improvements such as better water, roads, electricity, telephone and public transport networks, all of which can improve the quality of life for residents as well as facilitate tourism.

- **Foreign Exchange Earnings:**

tourism expenditures and the export and import of the related goods and services generate income to the host economy. Each day's stay of foreign tourist to the country brings certain amount of foreign currency in the country. According to World Tourism Organization (UNWTO) "an important indicator of the role of international tourism is its generation of foreign exchange earnings. Tourism is one

of the top five export categories for as many as 83% of countries and is a main source of foreign exchange earnings for at least of 38% of countries”.

- **Contribution to govt. Revenues:**

tourism encourages new elements to join the retail mix, increasing opportunities for shopping and adding healthy competitiveness. It often increases a community’s tax revenues. Lodging and sales tax most notably increase but additional tax revenue includes air travel and other transportation taxes, business taxes and full taxes. New job generates more income tax revenues.

Govt. revenues from the tourism sector can be categorized as direct and indirect contributions. Direct contributions are taxes generated on income from tourism employment and tourism businesses and by direct levies on tourists such as Goods and Services Tax etc. Indirect contributions as the taxes imposed on the goods and services supplied to tourists.

Negative Economic impacts of Tourism

there are various hidden costs to tourism, which can have unfavourable economic effects on the host community.

- **Increase in prices:**

increase demand for basic services and goods from tourists often cause price hikes that negatively affect local residents whose income does not increase proportionately. According to San Francisco State University study of Belize due to development of tourism, prices for locals increased by 8%.

Tourism development also increased the real estate demand and dramatically increases building costs and land values. Some tourism related businesses are volatile and high-risk ventures that are unsustainable. Greater demand for goods, services, land and housing may increase prices that in turn will increase the cost of living. Additionally, non-local owners and corporations may export profits out of the community.

- **Economic dependence of local community on tourism:**

there are many regions, whose economy is solely depending upon the tourism industry, it can put major stress upon its industry as well as the people involved to perform well. Many developing countries fails to explore other resources, have tourism industry only to boom the economy.

According to UNWTO, in Maldives 83% workforce directly depends upon the tourism, while 21% in case of Seychelles and 34% in Jamaica. During economic recession and the impacts of natural disasters, changing tourism pattern can have an adverse impact on the local tourism sector.

- **Seasonal character of job:**

Tourism industry creates jobs but is seasonal in nature. During peak season, there is a great demand of workforce in the industry, but no guarantee of employment during lean season. The seasonal character of the tourism industry creates economic problems for destinations that are heavily dependent on it. Due to seasonal character of job, there are difficulties in getting training, employment related medical benefits and recognitions of their experience and unsatisfactory housing and working conditions.

- **Infrastructure cost:**

the community may have to generate funds (possibly through increased taxes) to maintain roads and transportation systems that have become more heavily used. Similarly, if additional infrastructure (water, sewer, power, fuel, medical etc.) is required, additional taxes may also be needed to pay for them. Tourism development can cost the local government and local taxpayers a great deal of money. Developers may want govt. to improve the airport, roads and other infrastructure, which are costly activities for the govt. public resources spent on the development of infrastructure may reduce govt. investment in other critical areas such as education and health.

- **Leakage:**

leakage is the amount of direct income which is spent on the tourist itself to meet their demand at the destination. There are two main ways that leakage occurs.

1. **Import Leakage:** when the host country has to import the standard equipment, food and other product to meet the requirement of tourists, as these products that host country cannot supply, such expenditures are termed as import leakages. According to UNCTAD, the average import related leakage for most developing countries today is between 40% and 50% of gross tourism earning for small economies and between 10% and 20% for most advanced and diversified economies.
2. **Export Leakage:** various multinationals corporations and large foreign businesses, especially in poor developing destinations, invest in the construction of tourism infrastructure and facilities. When these investors take their profits back to their home country and export leakages occur.

ENVIRONMENTAL IMPACTS OF TOURISM

Areas with high-value natural resources like oceans, lakes, waterfalls, mountains, unique flora and fauna, and great scenic beauty attract tourists and new residents who seek emotional and spiritual connections with nature. Because these people value nature, selected natural environments are preserved, protected and kept from further ecological decline. But tourism can also degrade an environment. Visitors generate waste and pollution.

The environment impacts of tourism can be studied under two ways.

Positive Impacts:

- Protection of selected natural environment or prevention of further ecological decline.
- Improvement of the area's appearance (visual and aesthetic)
- Environment awareness rising.
- Preservation of historic building.

Negative Impacts:

- Pollution.
- Loss of natural landscape and agricultural lands to tourism development.
- Depletion of natural resources.
- Trampling impacts on vegetation.

- Alteration of ecosystems by tourist activities. Positive Environment Impacts.

Positive Environmental Impacts:

- **Protection of selected natural environment or prevention of further ecological decline:**

Tourism can contribute directly to the conservation of sensitive areas and habitat. Revenues from park-entrance fees and similar sources can be allocated specifically to pay for the protection and management of environmentally sensitive areas. Special fees for park operations or conservation activities can be collected from tourists or tourism operators. Some govt. collect money by indirect ways that are not linked to specific parks or conservation areas, by imposing fees, income taxes, taxes on sales or rental of recreation equipment and license fees for activities. Such funds can be used for overall conservation programs and activities as in salaries and maintenance

- **Improvement of the area's appearance:**

Improvement in the area's appearance through clean-up or repairs and the addition of public art such as railings, water fountains, and monuments (part of making a community ready for tourism) benefit visitors and residents alike. Natural areas are identified as valuable and the need to keep the attraction alive can lead to creation of new attractions.

- **Environment awareness rising:**

Tourism has the potential to increase public appreciation of the environment and to spread awareness of environmental problems when it brings people into closer contact with nature and the environment. Tourism leads to environmentally conscious behaviour and activities to preserve the environment.

- **Preservation of historic building:**

Tourist income often makes it possible to preserve and restore historic buildings and monuments. Improvement in the area's appearance through clean-up or repairs and

the addition of public art such as murals, water fountains, and monuments benefit visitors and residents alike. On the other hand, tourism has the potential to create beneficial effects on the environment by contributing to environmental protection and conservation. It is a way to raise awareness of environmental values and it can serve as a tool to finance protection of natural areas and increase their economic importance.

Negative Environment Impacts

Negative impacts from tourism occur when the level of visitor's use is greater than the environment's ability to cope with tourism use within the acceptable limits of change uncontrolled conventional tourism poses potential threats to many natural areas around the world. It can put enormous pressure on an area and lead to impacts such as: soil erosion, increased pollution, discharges into the sea, natural habitat loss, increased pressure on endangered species and heightened vulnerability to forest fires. It often puts strain on water resources, and it can force local populations to compete for the use of critical resources. How tourism affect environment adversely is mentioned below:

- **Pollution:**

Tourism can cause the same forms of pollution as any other industry:

- Air emission and noise: with the greater mobility of tourist's transport by air, road, rail, is continuously increasing. It is stated that tourism now accounts for more than 60% of air travel. Airline flights emit a large amount of CO₂ and it also contributes in several local air pollution. Airplane, cars, buses and other vehicles also cause noise pollution. These vehicles are heavily used by tourists. It also causes stress, and even hearing loss of humans, it also causes animals to alter their natural activity patterns.
- Solid waste and littering: in high concentrated areas of tourism activity waste disposal is a serious problem and improper disposal can be a major despoiler of the natural environment –rivers, scenic areas and roadside. Heap of garbage can be easily observed on the hills of Mussoorie, a small hill station in India. A growing amount of waste is not only eye shores; it is also a hazard for society. Waste is smelly and good breed ground for disease causing bacteria

and insects like mosquitoes. In comparison to wet water, dry waste poses greater problems. Because it does not decompose, quantity keeps building up. In a study it is found the main constituents of solid waste at Mussoorie in India, in 2004: paper 5%, Glass 9%, plastic 11.5%, metal 2%, cloth 2%, battery 2.5%. A large part of waste is plastic, which has own environmental implications. Polythene/plastic doesn't allow water to penetrate through. Polythene bags thrown down and overtime cover the roots of trees lining the mountain slope hence prevent water from reaching the roots. The roots gradually die and trees get uprooted. Without trees and their roots to bind the mountain soil, the slope becomes prone to landslides. Wet waste doesn't decompose when it is tied up in the polythene bags used for the purpose of disposal.

- o Sewage: construction at the tourist places leads to increase in sewage pollution. Several hotels in the catchment's of Nainital lake are connected with severe line systems, however, it has been observed that several hotels allow their bathroom water to find its way into open drains entering the lake. Tourism amount sometimes carries a lot amount of detergent washing, which are rich in Phosphorus contents, thus increasing the Phosphorus Lead to the lake. Sewage pollution threatens the health of humans and animals
- o Aesthetic Pollution: sometimes the architecture designed at the place clash with the indigenous structural design. Often tourism fails to integrate structural design. Often tourism fails to integrate its structure and indigenous architectural of the destination. Sprawling development also occur along coastlines, valleys and scenic routes. In the Mussoorie (Uttarakhand) in India, the total built up area up to 1990 was 6740 hectares. About 5000 hectares of land was used for construction in a period of about eight years between 1990 and 1997.

- **Depletion of natural resources:**

Tourism development can put pressure on natural resources when it increases consumption in areas where resources are already scarce. The impacts of tourism on various resources are discussed as under:

- o **Water Resources:** tourism industry generally overuse water resources for hotels, swimming pools, golf courses and personal use of water by tourists. It can result into water shortage and degradation of water supplies. The requirement of water for exceeds the availability even at present in Mussoorie. Water availability in Mussoorie is not able to cope with the demand. Because of the hot climate and tendency of tourists to consume more water during holidays than they do at home, the amount used is greater than constant supply of water at Mussoorie. With the increasing popularity of golf courses, number of golf courses has grown rapidly, and maintenance of golf courses require an enormous amount of water every day and tourism can result into water scarcity.
- o **Local Resources:** tourism can create great pressure on local resources like energy, food and other raw materials that may be already in short supply. Because of the seasonal character of the industry, many destinations have ten times more populations, in the peak season as compared to lean season. A high demand is placed upon these resources to meet the high expectations of tourists.

- **Trampling impacts on vegetation:**

Use of land for accommodation and other infrastructure provisions and the use of building materials cause direct impact on natural resources in the provision of tourist facilities. Forests often suffer negative impacts of tourism in the form of deforestation caused by fuel wood collection and land clearing.

- **Alteration of tourism activities:**

Tourism development can cause degradation of habitat. For example, wild life viewing can stress for the animals and alter their natural behaviour when tourists come too close. A constant stream of visitors and domestic pets may disrupt wildlife by disturbing their breeding cycle.

SOCIAL AND CULTURAL IMPACTS OF TOURISM

The social and cultural ramifications of tourism warrant careful consideration, as impact can either become assets or detriments to communities. Influences of tourists bring diverse values to the community and influence behaviours and family life. Individuals and the collective community might try to please tourists or adopt tourist behaviours. Interactions between residents and tourists can impact creative expression by providing new opportunities (positive) or by stifling individuality in public utilities such as water, sewer, sidewalks, lighting, parking public restrooms, litter control and landscaping.

Positive Impacts:

- Act as “economic shock absorber”.
- Provide opportunity to local.
- Improved infrastructure.
- Bring sense of community pride.
- Tourism as an interface for cultural exchange.
- Tourism raises awareness of local issues and needs.
- Preservation of local culture.

Negative Impacts:

- Development of mass tourism growth.
- Burden of tourism infrastructure.
- Hostility against tourists.
- Job level friction.
- Commodification.

Positive impacts of tourism on society and culture

- **Tourism act as an “economic shock absorber”:**

The economic benefits of tourism are well documented. Services such as tourism act as an “economic shock absorber” helping to support communities, particularly in rural areas, through economic drought, as services are more recession – proof than goods. The tourism industry is ‘decentralized’ meaning that there is little dependence on urban centres and imports to sustain tourism activity. Sustainable/ community-based tourism relies on small, locally operated business, local features and products and thrives on entrepreneurial activity from individuals. Especially in

community owned / operated businesses the tourist dollar re circulates adding to the multiplier effect to the local economy.

- **Provide opportunity to local:**

tourism provides opportunities for regional development particularly for regional areas undergoing structural change. Being a labour-intensive industry, with the right encouragement tourism can deliver great employment and training opportunities particularly for young people.

- **Improved infrastructure:**

Tourism brings a lot of benefit to host community. Improved infrastructure (power, water, and telecommunications), access, services (banks, transport) and new investments, all serve to enhance the lifestyle of communities. Community support will follow developments that serve the community and provide ongoing benefits. In Yosemite National Park (US), for instance, the number of roads and facilities have been increased to keep pace with the growing visitor numbers and to supply amenities, infrastructure, and parking lots for all these tourists.

- **Bring sense of community pride:**

tourism can help foster a sense of community pride as visitors choose to visit a location for a season. However, community pride as visitors chooses to visit a location for a season. However, community pride is generally related to economic prosperity with affluent communities more likely to take pride in their district. Well-presented towns and well-maintained facilities help visitors to feel welcome and can contribute to community pride.

Tourism also helps raise local awareness of the financial values of natural and cultural sites and can stimulate a feeling of pride in local and natural heritage and interests in the conversation. More broadly, communities in tourism development and operation appear to be an important condition for the conservation and sustainable use of biodiversity.

- **Tourism as an interface for cultural exchange:**

tourism is an interface for cultural exchange, facilitating the interaction between communities and visitors (domestic and international). Economic benefit aside, outside contact draws attention to the host community. People want to interact with other cultures, learn about the traditions and even confront themselves with new perspectives on life and society. It has been said that travel is a mean to “discover those things unknown or forgotten within his selves”. Tourism is largely an experience driven industry and local culture is a unique experience - more so local personality, hospitality and food than “built attractions”. Traveling brings people into contact with each other and as tourism has an educational element, it can foster understanding between people and cultures and provide cultural exchange between hosts and guests. Because of tourism, the chances increase for people to develop mutual sympathy and understanding and to reduce their prejudices. For example, jobs provided by tourism in Belfast, Northern Ireland, are expected to help demobilize paramilitary groups as the peace process is put in place. In the end, sympathy and understanding can lead to a decrease of tension in world and thus contribute to peace.

- **Tourism raises awareness of local issues and needs:**

Tourism can be used as a tool for raising awareness. Branding of local products and achievements creates regional identity both nationally and internationally. Tourism can also raise awareness of local issues and needs.

- **Preservation of local culture:**

There is a global trend towards investment in interpretation of natural and cultural resources. Attraction to natural and heritage icons often helps fund conservation efforts and provides opportunities for effective management of sensitive and significant areas.

A growing number of cultural celebrations are emerging highlighting important events and paying homage to ancestor. Cultural events assert identity and help preserve local traditions in younger generations while influencing visitors first hand. Australia’s primary urban areas are multicultural and have developed their own unique cultures; however, many regional areas are still heavily influenced by the

food and culture of their founders. Tourism allows for local crafts, foods and personalities to be kept alive while raising funds for the community.

Tourism can boost the preservation and transmission of cultural and historical traditions. Tourism often contributes to the conservation and sustainable management to natural resources, the protection of local heritage and revival of indigenous cultures, cultural arts and crafts.

Negative impacts of tourism on society and culture

- **Development of mass tourism growth:**

Much of the fear surrounding tourism is closely associated with uncontrolled, unsustainable and massed tourism growth. Tourism is an industry and is dominated by private enterprises with a purpose of making money by selling experiences. Market led planning can fail to achieve the objectives of sustainable tourism and has a tendency to forget the ill impacts of tourism.

With the development of mass tourism, competition between tourism and local populations for the use of prime resources like water and energy because of scarce supply. Stress to local communities can also result from environmental degradation and increased infrastructure costs for the local community. Besides damage to cultural resources may arise from vandalism, littering, and illegal removal of cultural heritage items and in intensively exploited areas such as coastal zones, those are popular for their beaches and islands. Conflicts arise when the choice has to be made between development of the land for the tourist facilities or infrastructure and local traditional land use.

- **Burden of tourism infrastructure:**

Tourism infrastructure is often accused of taking the “best sites” and local secrets are seen as being spectacles and losing their destination appeal. Tourism businesses may claim land that could have higher value or other uses. Additionally, non-local owners and corporations may export profits out of the community. The community may have to generate funds possibly through increased taxes to maintain roads and transportation systems that have become more heavily used. Similarly, if additional

infrastructure (water, sewer, power, fuel, medical etc.) is required, additional taxes may also be needed to pay for them.

- **Hostility against tourists:**

Tourists or the businesses that cater to them often remove plants, animals, rocks, fossils, coral and cultural or historical artifacts from an area. Uncontrolled visitation or overuse by visitors can degrade landscapes, historic sites, and monuments. Where water is scarce, tourists can overwhelm the available supply. Hence it results into hostility against tourists. Sometimes tourists out of ignorance or carelessness, fail to respect local customs and moral values. Tourism causes irritation among the hosts for the guests.

- **Job level friction:**

In the developed countries, jobs occupied by the local people are of usually lower level as of waiters, housemaids, gardeners, and other practical work, while higher paying and more prestigious jobs are offered to foreigners or urbanized nationals. Moreover, due to seasonal character of the industry, during lean season, these workers have to leave the job and tourism time they are jobless, while their seniors continue with the jobs (who are outside the community). Tourism may cause friction and irritation and increase the gap between the cultures.

- **Commodification:**

With the increased demand of tourists for the exposure of tourist, sometimes local ethnic culture alters to fit the needs of tourism, language and cultural practices may change. Once a destination is sold as a tourism product, and the tourism demand for souvenirs, arts, entertainment and other commodities begins to exert influence, basic changes in human values may occur. Sacred sites and objects may not be respected when they perceived as goods to trade.

- **Crowding and congestion:**

As people congregate, congestion and crowding produces stress, anger and other negative attitudes. Hordes of visitors may impede local businesses, prevent residents

from accomplishing normal activities and compete for space. Tourism construction, especially hotels may be inappropriate in scale and style with respect to other structures and in landscape. In some areas, recreational second homes and condominiums developments create major crowding and congestion problems.

- **Services:**

Traditional services may be forced out or relocated due to competition with tourist interests. Supply shortages may occur, temporarily, seasonally or chronically. Water, power fuel, and other shortages may be experienced with increased pressure on the infrastructure.

- **Crime generation:**

With the growth and urbanization of the area, crime rates typically increase, and the growth of mass tourism is often accompanied by increased crime. Tourists have a lot of money, valuables like camera, jewelry; increase the attractions with criminal activities like robbery, and drug dealing. Begging problems also increased in peak season, observed by residents of Nainital (Uttarakhand). Tourism can come to a community with a dark social and cultural side of drinking, smuggling also.

Directing tourism growth towards local needs, interests and limits can greatly enhance tourism's value to the community and help to create a sustainable industry. Many small communities have the skills and resources for successful tourism development. Creating a successful and sustainable economic activity and it needs vision, planning and work.