



The Economic Impact of Tourism on Local Community : A Study of Chilika Lake, Odisha

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Abstract: Tourism influences the economic condition of the host community in various ways. The present study attempts to assess the economic impacts of tourism in Chilika wetland, located in Khordha district of Odisha with immense tourism potential.

Keywords: Tourism, Chilika wetland, Economic impact.

1. INTRODUCTION

Tourism is considered as one of the fastest rising industries in the world (2014, WTO). It influences the local economy in multiple ways. Tourism brings foreign currency inflows, generates employment opportunities, diversifies the local economy and gives business opportunities to the local community. Generally, Countries promote tourism to bring economic development that helps in reducing the disparity in allocation of income by giving employment to the local residents of a particular destination. (Pearce, 1988, Coccossis & Parpairis, 1995; Wahab & Pigram, 1997). It can accelerate the growth process particularly that of the poorer countries, regions and towns (Glasson et al., 1999). Chilika is the largest brackish water lake in Asia, spreading over an area of 1100 square kilometres across three districts of Puri, Khordha, and Ganjam in Odisha. It is home to the largest number of migratory birds visiting the Indian subcontinent during the winter months. It is a major biodiversity hotspot and the brackish water of the lagoon is favourable particularly for the breeding of profitable tiger prawns (Nayak., P, K and Baker, F., 2010).

2. LITERATURE REVIEW

The positive as well as adverse economic effects of tourism have been extensively acknowledged in most of the studies (Tribe, 1999; Tisdell, 2000; and Vogel, 2001). Tourism brings a wide array of economic impacts to the destination including tax revenue, job opportunity, supplementary income, tax burden, inflation and local government debt (Andereck,1995). Residents strongly believed that tourism not only brought more employment opportunities, investments and enhanced their local business but at the same time it also increased the cost of living in their locality(Liu & Var; 1986).Tourism has strong connection with the local economy and is considered to be a catalyst for local and national development as it brings additional employment, generates

foreign exchange earnings and promotes infrastructure (Glassonet et al.,1995). Along with the positive impacts, tourism also affects the host community adversely such as the rise in prices of local commodities and services, owing to the higher demand for them from the tourists(Liu and Var, 1986; Husbands, 1989). Haralambopoulos and Pizam (1996) in their study claim that residents strongly agreed with the statements such as tourism generates extra revenue and income, improves living standards and helps develop the right perception towards work. Mbaiwa (2002) who has conducted a study in Okavanga delta found that tourism helps to alleviate the poverty by giving employment facilities to the local people, while being the major source of foreign exchange earnings for Botswana. According to Puczkó and Rátz(2009) the residents of lake Balaton firmly agreed that the economic wellbeing is the major benefit of tourism for the local community and their major source of livelihood. However, limiting the inflow of tourists to the area by governmental means was not perceived favourably by the residents. Tourism development in Kerala improves the standard of living, brings employment facilities for the local community and encourages local people to involve in tourism business and enterprises (Sebastian and Rajagopalan,2009). Tourism contributes significantly to the economic development of a country through employment generation, infrastructural development, revenue earnings, while also enhancing the global peace (Eilat and Einav,2003). Chuang(2013) who has conducted a comparative study in Taiwan found that the residents in Nanjuang and Tongsiao believe that tourism helps in the improvement of living standards, promotion of agricultural development and employment opportunities while bringing back the residents to their natives who have shifted to towns for better job opportunities. Hsu(2018) who has conducted a study on the economic impact of Cigu wetland of Taiwan found that most of the products and materials used in tourism business come from the locality and the local economy is highly influenced by the seafood restaurants.

3. METHODOLOGY

Quantitative methods are used for the study. The questionnaire survey method was conducted to collect the data from the local community, particularly those who are engaged in tourism related activities for their livelihoods. Convenient sampling method was adopted for this study. Balugaon and Barkul were selected as the areas of survey, as the two villages are the major hubs of tourism. The total number of respondents, interviewed through structured questionnaire are 150, out of which 106 were found to be complete in all respects and selected for this study. The statistical tools used for this study are Frequency and Mean analysis.

3.1 DEMOGRAPHIC PROFILE

The total respondents interviewed for this study were 150 in number but 106 were selected. The Gender of the residents are distributed as 88 male respondents comprising 83 percent and 18 female respondents comprising 17 percent of the total respondents. Based on their percentage it is assumed that tourism in Chilika is dominated by male workers whereas the female percentage is quite negligible which indicates that there is a lack of women working force in tourism sector. In order to achieve sustainable tourism development in Chilika lake, it is important to encourage the participation of women in tourism related activities.

Out of 106 respondents, 92 are married comprising 86.8 percent and 14 unmarried comprising 13.2 percent. It can be assumed that married people are mostly engaged in tourism related jobs than the unmarried.

The age-wise distribution shows that respondents less than 20 years in age comprise 3.8%, between 21 to 30, 27.4% and those between 31 to 40, 35.8% of the total respondents respectively. Those who come under the age group of 41-50 consist of 21.7% and the ones above 50 years in age comprise 11.3% of the total population respectively. It can be concluded that the age group belonging to 31-40 years has the highest participation followed by the group aged 21-30 years.

From the distribution of educational qualification of the respondents, it is observed that HSC qualified respondents are 35.8 percent, Intermediary/Diploma holders comprise 22.6 percent, graduates are 29.2 percent and post graduate and professionals are 12.4 percent of the total respondents. It indicates that the least educated group has the highest participation in tourism in Chilika lake.

The respondents based on occupation are distributed as follows; farmers are 10 who comprise 9.4 percent, businessmen are 28 and comprise 26.4 percent, Govt. employees are 4 in numbers comprising 3.8 percent, private employees are 34 and comprise 32.1 percent, fishermen are 25 and consist of 23.6 percent while professional are 5 in number comprising 4.7 percent of the total respondents. It can be concluded that private employees are more in numbers followed by businessmen.

The income wise distribution of respondents are as follows: Out of the 106 respondents, 73, comprising 68.9 percent have the annual income below 2.5 lakhs, 25 respondents consisting of 23.6 percent have the annual income between 2.5 to 5 lakhs, 0 respondents are in the category of 5 -7.5 lakhs, 4 respondents who comprise 3.8 percent have the annual income of 7.5 to 10 lakhs whereas 4 respondents who comprise 3.7 percent have the annual income of more than 10 lakhs.

Out of the 106 respondents, 51.9% respondents are of the opinion that Hotel and Restaurants have more business potential in future, 12.3% respondents are of the opinion that Self-employment has more economic prospects, 12.3% believe that Handicraft shops/Boutique have better economic prospects, whereas 23.6% are of the view that Fishing will be their major economic activity in future. It can be assumed that hotel and restaurants have more economic potential in future followed by Fishing which has been the dominant traditional economic activity in the area.

Out of the total 106 respondents, 39 (36.8%) are engaged in Guiding, 10 (9.4%) in Selling souvenir products, 8(7.5%) are working in restaurant/hotel/bar, 13(12.3%) are working as travel agents, 8(7.5%) are engaged in tourism by owning the shops for the tourists and 28(26.4%) are engaged in tourism by providing boat service in Chilika area. It can be concluded that majority of the respondents have collected their revenue from tourism through Guiding followed by providing boat service in Chilika area.

4. DATA ANALYSIS

Table 1 : Mean analysis of Economic impact

Variables	Mean	Rank
Chilika tourism improves the standard of living of the local residents	4.22	II
Chilika tourism helps in consumption of local products	4.20	III
Chilika tourism diversifies the local economy	4.15	IV
Due to the development of tourism in Chilika the products and services are better available	4.10	V
Tourism generates employment for the local community	4.22	II
Tourism brings additional income for the community	4.45	I
Tourism gives hope to the youth for future opportunities	4.45	I
Tourism in Chilika creates entertainment and recreation options	3.82	VII
Tourism in Chilika opens resturants, bars and hotels	3.92	VI
Tourism replaces the traditional forms of occupation	2.77	VIII
Tourism is responsible for the rise of the price of the land	3.51	X
Tourism increases the price of the goods and services	3.76	IX
There is an unfair increase of home prices and property tax	3.21	XI
Chilika tourism provides benefits to small percentage of community	3.19	XII

The mean analysis of the above table is as follows: The highest mean value of 4.45, occupying rank I indicate that residents have high positive perception about Tourism bringing additional income for the local community and giving hope to the youth for future opportunities. The second highest mean values show that local people strongly agreed with the statements ‘tourism generates employment for the local community’ and ‘tourism improves the standard of living of the residents’ followed by the statement ‘It helps in the consumption of the local products’. In addition to this, the mean values are more than three for statements such as ‘Chilika tourism diversifies the local economy’, ‘Products and services are easily available due to tourism’, ‘Tourism creates entertainment opportunities for the local community’ ‘Tourism in Chilika opens restaurants and bars’ and therefore indicate that residents agreed with the statements and these statements are considered as the positive effects of tourism. To the contrary, the statements whose mean values are more than 3 such as ‘Tourism is responsible for the rise of the price of the land’, ‘Tourism replaces the traditional form of occupation’ ‘There is an unfair increase of home prices and property tax’ and ‘Chilika tourism provides benefits to small percentage of community’ are considered to be the adverse effects and the residents agreed with those statements. The mean value is lowest and less than three for the statement ‘Tourism replaces the traditional forms of occupation’, which indicates that residents disagreed with the statement and they perceive that tourism does not

replace the traditional form of occupation. From the above discussion it can be concluded that the residents have favourable perspectives on the economic effects of tourism.

5. CONCLUSION AND DISCUSSION

Chilika is a major tourist hub and tourists visit this place for various reasons from bird watching, Boating, Dolphin cavorting, visiting Goddess Kalijai to savouring the brackish water delicacies. Tourism affects the economic life of the local residents in numerous ways. The analysis of the frequency distribution shows that the male population has the maximum participation in tourism sector than the women. To achieve Sustainable development of tourism in Chilika lake, the participation of women should be encouraged. Married people are mostly engaged in tourism related jobs than the unmarried people. The educational qualification of the respondents indicates that the least educated group has highest participation in tourism in Chilika lake. The mean analysis result shows that tourism has both beneficial and adverse effects on the local economy. The beneficial effects are in the form of income and employment generation, diversification of the local economy, increase in the consumption of local products, providing hope to the youth for the future opportunity and prospects etc. while negative impacts are captured by the perceptions such as “tourism increases commodity prices, is responsible for the rise of land price and property tax and tourism gives employment only to a small percentage of population. In order to reduce the adverse effects and to further enhance the benefits, sustainable tourism development should be adopted in the Chilika wetland. It can only be possible through the collaborative effort of the Ministry of tourism, Odisha Tourism Development Corporation (OTDC), Forest department and local community. It is the collective responsibility of all the stakeholders and therefore, sustainable development of tourism in Chilika wetland is possible only when all of them work together

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