

Problems and Potential of Ecotourism Business in India

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Abstract—Travel and tourism's sector total contribution to the GDP was 6.7% in 2015 which is expected to grow to 7.6 % of GDP by 2025 (1). Conventional tourism like adventure tourism, luxury tourism, wildlife tourism etc are the commercial tourism products in the country and are expected to be for another couple of years. Yet in spite of its significant contribution to the economy it has its own shares of problems and issues which are often overlooked like resource degradation, ecology and biodiversity destruction, ecological conflicts etc. To make growth in Indian tourism industry more sustainable it is suggested that India's commercial tourism to be directed to a more sustainable form of tourism. India's varied biodiversity and rich flora and fauna are also strong elements supporting this approach. This paper explores potential for ecotourism in Indian economy and problems which are faced by ecotourism practitioners in their business.

Keywords: Ecotourism, commercial tourism, resource degradation, potential assessment.

1. INTRODUCTION

Tourism is one of the fastest growing sectors in the world and plays an important role in growth and development of nations. Many governments all over the world are making efforts to expand their share in the voluminous 858 million strong international tourist arrivals (2).

Market trends of inbound tourist¹ arrival shows a gradual decrease in tourist arrival in American and European region which fell from 58.6% in 1995 to 51.6 % in 2013 and is expected to fall further to 45.9% by 2020. However the Asian, African and Middle Eastern countries have all witnessed growth in inbound tourism which shows rapid spread of commercial tourism across developing countries. As a result of shift in inbound arrivals trends, regions which were previously isolated like Asian biodiversity hotspots, African wildlife and exotic cultures etc are now being visited by international tourist and Indian tourism is no exception to this pattern. (3). Tourism sectors total contribution to GDP is expected to increase to 7.6 % of GDP by 2025. As tourism sector continuous to grow and develop ecotourism offers an

option to make Indian tourism industry's growth path more sustainable which preserves and protects India's diverse variety of flora and fauna. (4). It is quite evident that global tourism sector is expected to grow worldwide creating economic benefit through its multiplier effect on Indian economy. In such a case a market based sustainable tourism model through promotion of ecotourism could act as 'development paradigm' and a major engine of sustainable economic growth which could help in reducing problem of huge income disparity in the company

2. RESEARCH METHODOLOGY

This paper follows an exploratory research design. It is an attempt to lay groundwork for future studies related to ecotourism sector in India. Being exploratory in nature it intends to achieve broad analytical conclusions as opposed to statistical conclusions.

2.1 Data

The information was collected through In-Depth interviews of 33 tour operators who are members of Ecotourism Society of India using a semi structures open ended questionnaire. The information was collected through personal interviews or telephonic interviews through recorded conversation. Purposive sampling technique was used for this study in order to classify tour operator who are in the business of ecotourism. Finally the results and analysis are presented which are based on primary survey which was conducted by the author and secondary literature review

Sample distribution of tour operators covered from different state is the following:

Delhi-8

Uttaakhand-2

Himachal Pradesh-3

Maharashtra-3

Kerala-3

Sikkim-2

¹ Inbound tourist refers to non residents or foreigners visiting a given country for leisure purpose.

Assam-2

Punjab-3

Mizoram-1

Madhya Pradesh-1

Haryana-3

Tamil Nadu-2

3. PROBLEMS OF ECOTOURISM BUSINESS IN INDIA

Branding, promotion and lack of industry representation-

Ecotourism being a niche tourism product attracts a particular group of consumers having preference for nature based tourism. Being a state subject, tourism is marketed and promoted by state tourism departments at different national trade events. Although due focus is given by the government in promoting commercial tourism destination at different trade meets but this particular tourism product is often ignored.

Infrastructure development for the purpose of ecotourism development in forest areas, natural parks, biosphere reserves is undertaken by state forest department. Some of the successful initiatives taken by forest department are Samardha jungle camp in Madhya Pradesh, Periyar ecotourism at Periyar national park Kerala etc. While infrastructure development is a work of forest department, marketing and promotion is carried out by state tourism department and quite often due to lack of coordination upcoming ecotourism projects fails to get promoted. Marketing executives of state tourism department are often clueless about existing ecotourism initiatives taken in their state which results in lack of promotion at B2B² trade events.

Lack of proper stakeholder consultations which excludes tour operator results in lack of product development of ecotourism sites. Tour operators play a key role in developing itineraries and tour packages which help in proper packaging and marketing of the product. For e.g.-Nanda Devi ecotourism project was developed by the forest department of Uttarakhand but was witnessing extremely low occupancy due low promotion. This was overcome when members of the community took the initiatives and established a community owned Ecotourism Company called Mountain Shepards which then collaborated with other tour company to promote its ecotourism program.

Scale of revenue generated from ecotourism is quite low so firms prefer promoting commercial products over ecotourism destinations. Analysis of tour operator revenue from the survey conducted revealed that on an average 24.5% of their revenue comes from ecotourism related activities which is quite low in comparison to revenue from commercial ecotourism products.

India has great potential for many small scale self sustaining ecotourism projects which can provide livelihood to the local community but there is an absence of proper marketing strategy for promotion of this type of tourism which affects its commercial viability.

Awareness issues among travelers and government officials-

68 % of tour operators responded that majority of tourist indulging in ecotourism were international foreign tourist primarily belonging to Britain and USA who had interest and appreciation for nature based tourism. Domestic tourist showed little interest in experiencing ecotourism and were more interested in commercial tourism activities. A strong lack of appreciation for rural cultural and nature based tourism were also noted among domestic tourist. Mr Mandip Soin, an avid eco traveler and founder of Ecotourism society of India expressed his discomfort in dealing with domestic travelers by stating "What we lack is awareness in domestic tourist because of which we are often left out while efforts are made by us to provide wonderful experiences to our guest but they complain of lack of luxurious facilities like televisions, air conditioners. They must understand and should be made aware about the perils of commercial tourism and how ecotourism can provide them with unique experiences. Targeting the domestic tourist can help us increase volume of eco travelers which currently is lacking in India".

The survey also identified issues in awareness level of forest officials and tourism department officials. Respondents spoke of lack of knowledge about ecotourism's principle and concepts. Quite often nature and wildlife based products are promoted and developed as ecotourism products. State government officials often lack capabilities and expertise to develop policies related to ecotourism. As (5) states in his book "lack of proper knowledge about ecotourism concepts, principles and practices is a common phenomena in developing nations which often leads to flawed policy outcome in policy making process. As an outcome of flawed policies, forest officials and tourism department personnel are often not clear about the purpose and objectives of ecotourism which leads to erroneous infrastructure development in the name of ecotourism.

Lack of accreditations-

Although ecotourism is recognized as an important sector which could contribute to sustainable growth to Indian economy, yet there is no formal system of accreditation to rate eco tours or tour operators offering eco tourism products

(6) reports "lack of accreditations of certifications in the market for ecotourism creates asymmetric information problems". Being an experience good, tour operators often indulge in green washing³ marketing strategy which deprives

² B2B-Buisness to business

³ Green washing is when a company promotes environmental friendly initiatives but actually operates in a way in which its activities and

consumers from an authentic ecotourism experience. Ethics and principles of ecotourism require adherence to environmental protocols and standards (6).

Tour operators reported that there is still lot of ambiguity over definition and concepts of ecotourism in India which leads to some tour operators selling adventure tourism or wildlife tourism as ecotourism without considering its potential environmental impact. 64 percent of tour operators responded that they would prefer licensing and grading of ecotourism products in India.

Globally some countries have their own successful certification programs. For e.g.,-Costa Rica's certification of sustainable tourism, Australia's eco certification, Canada's green leaf certification, Botswana's eco certification program. Certifications and accreditations have helped in successful growth and development of ecotourism industry in these countries. (7).

Ecotourism Association of Australia (which was later renamed Ecotourism Australia in 2002) was formed in 1992 with the objective of creating partnerships, platform to represent voice of the industry and to promote quality ecotourism experiences. It was the first organization in the world to start ecotourism certification programs which classified ecotourism into 3 types of tourism products which were nature tourism (tourism leaving minimal impact on the environment, ecotourism (tourism which focused on optimal resource usage, conservational practice and economic benefits to local communities, advance ecotourism (tourism with strong interpretational value, commitment to nature conservation and providing livelihood options to local community. It provided tools through which tour operators could promote authentic experiences which ensured sustainability of their business and destinations. Apart from industry recognition it also provided marketing services through partnership with various international organizations.

Research shows that eco certifications program have met with huge success in Australia. 15 years after its inception it has more than 1000 members currently registered as eco certified tour operators throughout Australia. Revenue of tour operators associated with ecotourism has grown by 15% CAGR since 1995. (8) The size of ecotourism industry is estimated to be around 1.12 billion dollar. (9).

Despite its worldwide commercial success, Indian ecotourism industry lacks a well regulated certification program which could provide assurance for quality. While there are guidelines for sustainable tourism practices but they are not strictly enforced and promoted.

Lack of fiscal incentives, infrastructure and capacity building program-

operations are damaging the environment. In the context of ecotourism it means promoting nature based or adventure based commercial tourism products in the name of ecotourism

Ecotourism being a niche tourism product faces immense competition from traditional forms of commercial tourism. Quite often the economic returns from a project are low and commercial feasibility is not possible, these barriers often serve as a disincentive to invest in the absence of a subsidies or fiscal incentives offered by government. Globally lot of subsidies and fiscal incentives is given to private players for development of projects in the field of ecotourism or sustainable tourism. For e.g.-Costa Rica government provides payment for environment service which is a market based mechanism for conservation of service under which farmers or land owners are given financial incentives for providing ecological services, South African government provide biodiversity fiscal incentive (which includes deductions for corporate tax, property tax rebate, income tax holidays etc) for commercial tourism projects which promotes and preserves natural habitat and biodiversity. National and state government of Australia provide preferential marketing opportunities to tour operators certified by ecotourism Australia, Philippines have special development zones for ecotourism related projects. (10)

There is limited participation by private players in ecotourism projects in India due to lack of fiscal subsidy provided by the government. Although some states like Himachal Pradesh, Odisha, Sikkim do have provisions for providing fiscal incentives like abolishing luxury tax, subsidy provision, not charging electricity at commercial rate but the process is too complex and not many people are aware.

Majority of ecotourism initiatives are restricted to rural home stays and cultural tourism which provide source of livelihood to rural people. While those that are run and developed by government revolve around community based ecotourism programs such as ecotourism program in Dzongu, Sikkim, Parambikulumtiger reserve, Periyar tiger reserve etc.

Lack of soft skills and adequate capacity building programs to cater to international tourist is another big challenge. Respondents reported that although state government have been making efforts in training people in community based ecotourism and they have partnerships with tour operators, consultants and hotel management institutes to cater to soft skill development training. For Eg Government of Sikkim recently tied up and signed Memorandum Of Understanding with Indian Hotel Management institute to impart soft skills trainings to its ecotourism programs. However large number of people associated with ecotourism product especially the rural ecotourism and home stays still lack proper skill and development

Since local involvement is a key feature of ecotourism, so for ecotourism to be successful it is necessary that proper capacity building programs and training is given to local people which would equip them with basic hospitality skills. Although the objective of ecotourism is to minimize economic leakages arising out of tourism however lack of proper infrastructure or poorly developed infrastructure could lead to loss of local

revenue. India still lacks an international level ecotourism lodges or eco hotels which lead to tourist preferring to stay at nearby hotels instead of home stays. Some of the other infrastructure issues which he also pointed out dealt with weak telecommunication through internet and mobile especially in hilly terrains of North East, Lack of adequate and standard signage in roads and trekking routes, poorly developed roads.

4. POTENTIAL OF ECOTOURISM IN INDIA –

India is 10th on the list of plant diversity and 4th in Asia. The Indian subcontinent offers diverse variety of flora and fauna as described by Botanical Survey of India. With a network of around 668 protected area covering 1,61,221 sq km (4.90% of total geographic area) which comprises 102 National parks, 512 wildlife sanctuaries, 46 conservation reserves, 4 community reserves and 5 UNESCO designated heritage sites. (11). Ecotourism in India gained importance when UNWTO designated the year 2002 as international year of Ecotourism. In terms of resources available there are number of botanical park, zoological garden, biosphere reserves, wildlife reserves which contributes to its flora and fauna. Ministry of tourism has identified 8 different categories of resources which can serve as potential ecotourism destinations. (12) The 5 major categories of resources are-

Biosphere reserve-There are around 18 biosphere reserves⁴ in India out of which 9 are included in world network of Biosphere Reserves of UNESCO.

They are Gulf of Mannar (Tamil Nadu), Nanda Devi (Uttarakhand), Debang (Arunachal Pradesh), Nokrek (Meghalaya), Great Nicobar (A & N Islands) Nilgiri (Tamilnadu, Kerala, and Karnataka); Nokrek (Meghalaya); Manas and Dibru Saikhowa (Assam); Sundarbans (West Bengal); Great Nicobar (A & N Islands); Similipal (Odisha); Dehang-Debang (Arunachal Pradesh), Khangchendzonga (Sikkim), Agasthyamalai (Tamilnadu and Kerala), Katchch (Gujarat), Cold desert (H.P.), Achanakr Amarkantak (Chhattisgarh and M.P.), Panna (Madhya Pradesh). (11)

Mangroves –Mangrove is a type of trees which grows in coastal area. Mangroves in India account for 3 percent of world's mangrove production. It is commonly found in Sunderban area in West Bengal. (12)

Coral reefs- "Coral reefs consist of huge communities of organism with huge diversity in color and life which live on or associated with huge limestone structure formed by animals called coral polyps". (5). India has 4 Major coral reef spots.

They are Gulf of Katchch, Lakshwadeep, Andaman and Nicobar and Gulf of Munnar. (12)

Mountains and Forests-Total forest cover area in India is 692027 Km while India's mountain range extends more than 2500 Km which can be categorized in 7 categories which are Satura, Sahyadri, Himalayas, Aravali, Vindhya, Patkai and the eastern ghats. (12)

Caves-Some of the famous caves like Ajanta and Ellora, Bhaja and Bedsa, Elephanta caves could be potential ecotourism hotspots.

4.1 Forms of ecotourism in India-

The survey findings revealed that ecotourism in India could be classified into 4 types-

Nature based tourism-Traveling to relatively undisturbed or uncontaminated natural areas with the specific objective of studying, admiring, and enjoying the scenery and its wild plants and animals, as well as any existing cultural manifestations (both past and present) found in these areas." (13). For e.g.-Ecotourism program by Teri, farm based agri-ecotourism in Punjab, forest based ecotourism program run by Kerala forest department etc

Community based ecotourism - form of ecotourism where the local community has substantial control over, and involvement in, its development and management, and a major proportion of the benefits remain within the community. (14) For e.g.-Community based ecotourism program run by Mountain shepherds, community based ecotourism program in Dzongou in Sikkim

Rural tourism-Rural tourism is associated with showcasing rural life, art, culture and heritage thereby benefiting local community economically and socially. (4) For e.g.-Hodka village's Shaam-e-sharhad village resort which promotes rural tourism as part of Endogenous tourism project (15)

Home Stay-Home stays are part of rural tourism where tourist stay with local people to experience local culture and tradition which generates livelihood for local people. For e.g.-Spiti home stays run by Spiti ecosphere.

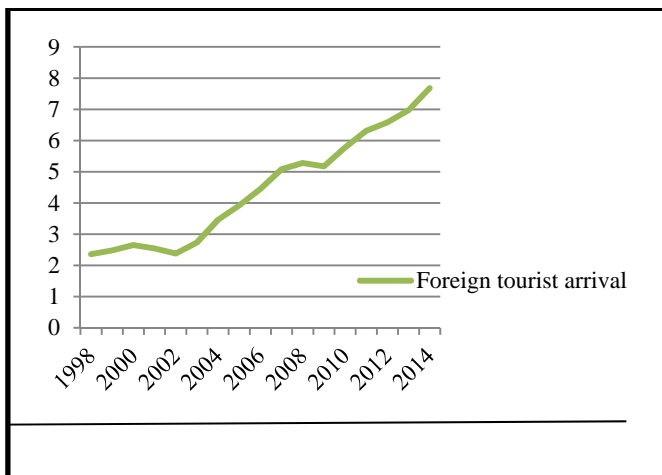
4.2 Trends and Market size for ecotourism-

Although different studies have tried to measure market size of ecotourism globally and the estimates range from conservative estimate of 1% to optimistic estimate of 40 % of the total international market size. However estimating the demand and market size of ecotourism is a challenge in tourism research mainly due to 3 reasons. First, the definition and concept of ecotourism differs from country to country. Often 'green washing' strategies are used for promotion of ecotourism. Second, determination of proportion of ecotourist is often calculated through perception based studies where ecotourist are identified based on their motivation to indulge in nature based tourism which is a challenging task.

⁴ Ministry of environment, forest and climate change defines biosphere reserve as "areas of terrestrial and coastal ecosystems promoting solutions to reconcile the conservation of biodiversity with its sustainable use. They are internationally recognized, nominated by national governments and remain under sovereign jurisdiction of the states where they are located".

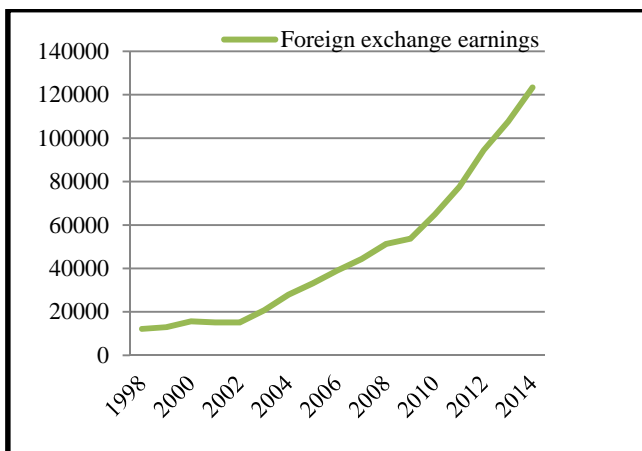
Third, there is still limited data available for niche tourism product like ecotourism. (10).

In India although there is no sectoral data on ecotourism but considering multitude of international tourists visiting India which has grown by 8.31% CAGR annually from 2004 to 2014 (refer fig.1) and high growth in foreign exchange earnings from tourism during the same period which witnessed a CAGR of 16.21 % from 2004 to 2014(refer fig.2), tourists do visit destinations that fall in the categories of eco tourism and nature based tourism, further results from primary survey of tour operators revealed positive revenue growth from ecotourism for past the 5 years from 2011-2015 (refer fig.3).Focus and investment will surely add value and bring about positive growth and development in this sector.



(Source: Ministry of Tourism Annual Report 2014-2015)

Fig. 1: Foreign tourist arrival in India (in millions from 1998-2014)



(Source: Ministry of Tourism Annual Report 2014-2015)

Fig. 2: Foreign exchange earnings in India (in crores from 1998-2014)

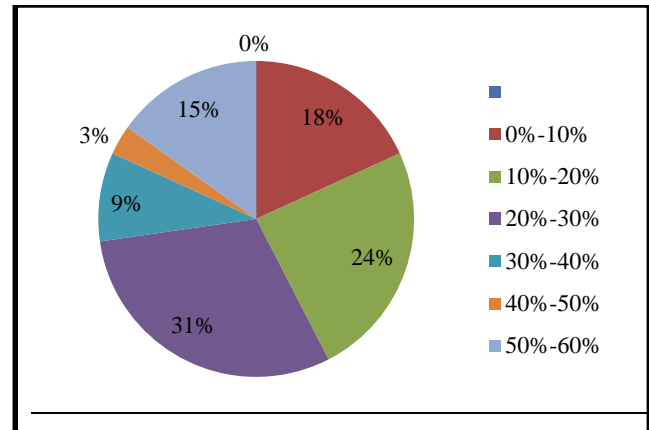


Fig. 3: CAGR in tour operators revenue from ecotourism (from 2011-2015)

5. CONCLUSION

It quite evident that global tourism sector is expected to grow worldwide creating economic benefit through its multiplier effect on Indian economy. In such a case a market based sustainable tourism model through promotion of ecotourism could act as 'development paradigm' and a major engine of sustainable economic growth which could help in reducing problem of huge income disparity in the company. Currently ecotourism is a highly unregulated market in India with its major challenge being lack of uniform definition. For ecotourism to be developed India must develop a uniform national level ecotourism or a broader level sustainable tourism strategy like Philippines ecotourism strategy 2013-2022, Australia's vision 2020 (3) which would help in coordinating individual efforts.

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