

PPP & CPPP MODELS FOR SUSTAINABLE TOURISM DEVELOPMENT IN KERALA

TOURISM IN KERALA – AN INTRODUCTION

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Introduction

The beautiful land, Kerala with its unique cultural and geographical features attracts tourists from all over the world. This beautiful land is often described as the God's own country. The tourism of Kerala has got international popularity for its conspicuous nature beauty, lush greenery, picturesque landscapes, scenic spots, amiable ambiance, lovely lakes, diverse flora and fauna, verdant hill stations, beautiful beaches, serene and scenic back waters, historical monuments, religious monuments etc. Now through the efforts of Government of Kerala, it has become intellectually appealing to international and domestic visitors. In recent times, the Kerala Tourism and the industry have taken top priority to the need to improve visitor's experience. Kerala Tourism Department succeeded in generating its own brand, and positioned the state in terms of its brand. Hence the tourism of the state has become the fastest growing sector of the economy. It has emerged as one of the few economic alternatives to develop the economy of the state. It has been recognized as the vital sector for development of the economy on account of its potential for generating income and employment. Tourism in Kerala is the livelihood of around 12 lakh people and generates revenue of about 13000 crore rupees. The governments' initiative through Department of Tourism to promote the region as a cherished tourist destination succeeded in many respects. But the comprehensive development of the tourism sector necessitates the development of tourism infrastructure like accommodation, airlines, transportation system etc. Meanwhile, for the sustainable development, it should include the local people and it should not be a destroyer of ecologically fragile areas and ecosystems, culture and local community.

Is government alone can contribute to this kind of comprehensive and sustainable development of tourism in Kerala? In an environment of budgetary restrictions, government alone cannot afford new investments especially in tourism projects. This demands the cooperation of private sector for the development of tourism in the state. The role played by Private entrepreneurs in the tourism sector of the state is very emphatic. Of the total room inventory in Kerala, about 80 percent is in the hands of small and home – grown entrepreneurs. Ninety percent of the house boats in the back waters of the state are owned by private, small entrepreneurs. According to Dr.V.Venu, the State's tourism Secretary, the private sector in Kerala's tourism industry is way ahead in marketing, service operations and professionalism.

Infrastructure still remains the most important impediment in realizing the high potential that the tourism industry holds for the entire country especially Kerala. Inadequate accommodation, inadequate road infrastructure, air connectivity, lack of basic amenities at tourism centers, lack of developed tourism circuits, tourist trains etc. prevents the faster growth of this sector. Here emerges the need for coordination and cooperation between the public sector and private sector. The most sought after model in this regard is the PPP model.

Public Private Partnership

The synergy between the public sector and private sector has been a major force in stimulating tourism competitiveness in a number of countries at national, State and local levels. The comprehensive development of tourism is best possible if created jointly by government, private sector and local community. PPP's enable the public sector to benefit from commercial dynamism; the ability to raise

finance in an environment of budgetary restrictions, innovations and efficiencies harnessed through the introduction of private sector investors who contribute their own capital, skills and experience. So the benefits in PPP model in the sphere of tourism development may be listed as follows:

1. Acceleration of infrastructure provision
2. Access to new sources of capital
3. Faster implementation
4. Provision of innovations and efficiencies
5. Value for money
6. Partnership building
7. Enhanced public management
8. Training and capacity building of personnel
9. Genuine risk transfer
10. Performance related reward
11. Promotion of private investment
12. Professionalism in management and commercial dynamism
13. Provision of support service and equipment.
14. Information dissemination and marketing
15. Improved quality of service etc.....

In short, the PPP enables greater integration of policies and practices relating to tourism planning by the public and private sectors. Through joint financing, tourism infrastructure can be developed in a speedy mode. It enables a professional approach for the development of tourism in the state. Let us discuss the role played by different parties such as the government and the private sector in the arena of tourism development through a combined effort.

Role of State

1. Ensure that the local community is fully involved and the benefits of tourism should ultimately reach them
2. Formulate supportive policies
3. Provision of land for projects to be developed
4. Financial support in times of need
5. Provision of statutory and project specific clearances within its control
6. Grant of fiscal concessions to projects where necessary
7. Monitor the project performance
8. Introduce regulatory measures to ensure social, cultural and environmental sustainability
9. Identify and establish clear objectives as to the range of public and private sector development as considered appropriate

Role of Private

1. Build and manage the required tourist facilities in places of tourist interest
2. Undertake industry training and manpower development to achieve excellence in quality of services
3. Participate in the preparation of investment guidelines, marketing strategies, database developments and pursue research
4. Ensure preservation and protection of tourist attractions

Kerala Travel Mart – A Successful PPP Model

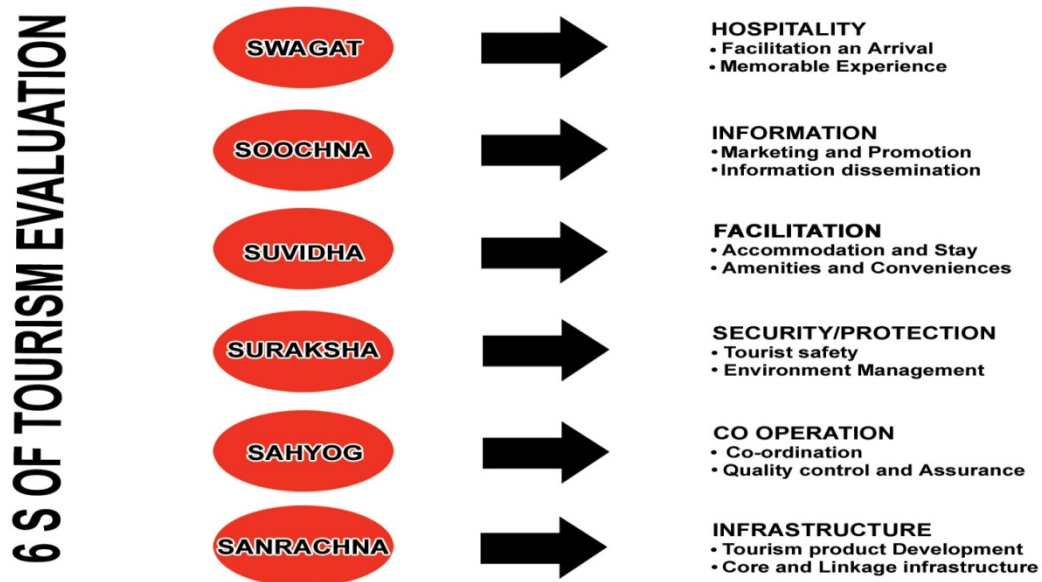
Kerala Travel Mart (KTM) is conducted as a biennial event from 2000 onwards. KTM is an attempt to showcase Kerala as Asia’s new age destination and India’s tourism super brand. This event brings together the business fraternity and entrepreneurs behind the tourism products and services of the state. KTM is the largest gathering in the sphere of tourism, which is designed, planned and scheduled to facilitate meetings of Buyers, Sellers, Media, Government agencies and others. Besides, seminars, pre/post mart FAM tours, and cultural evenings, it gives the participants a firsthand experience of the destination. Launched in the year 2000 as KTM 2000, very successful Marts were conducted in 2002, 2004, 2006, 2008 and 2010 with the participation of buyers from around 50 countries and other parts of India. Each Mart sees about 500 buyers who meet around 200 sellers.

The mart provides unprecedented access to Kerala’s innovative and diverse tourism products. It also provides opportunity for face to face interaction and to do business with an unmatched range of sellers and entrepreneurs behind them. The mart is organized by a permanent institution called the Kerala Travel Mart Society. Its main objective is to conduct the Mart in particular, and to become a mechanism for effective and continuous public/private partnership to facilitate the promotion of tourism in the state. It is an excellent show which enables one to discover everything about Kerala Tourism Industry.

The sixth edition of Kerala Travel Mart was held from 23rd to 26th September 2010 at the Bolgatty Palace, Cochin. KTM 2010 shows an all-time high in terms of participation and engagements. 1043 buyers and 285 sellers were participated the mart. The mart has got active participation from more than 50 countries of the world.

A ‘Six S’ framework developed by the Ministry of tourism and culture, Govt. of India was used to evaluate the performance of Kerala Travel Mart. The ‘Six’s’ variable and infrastructure. The satisfaction level of participants of the KTM 2010 was arrived at in terms of these six variables. The detailed description of the six variables is depicted in table 1.

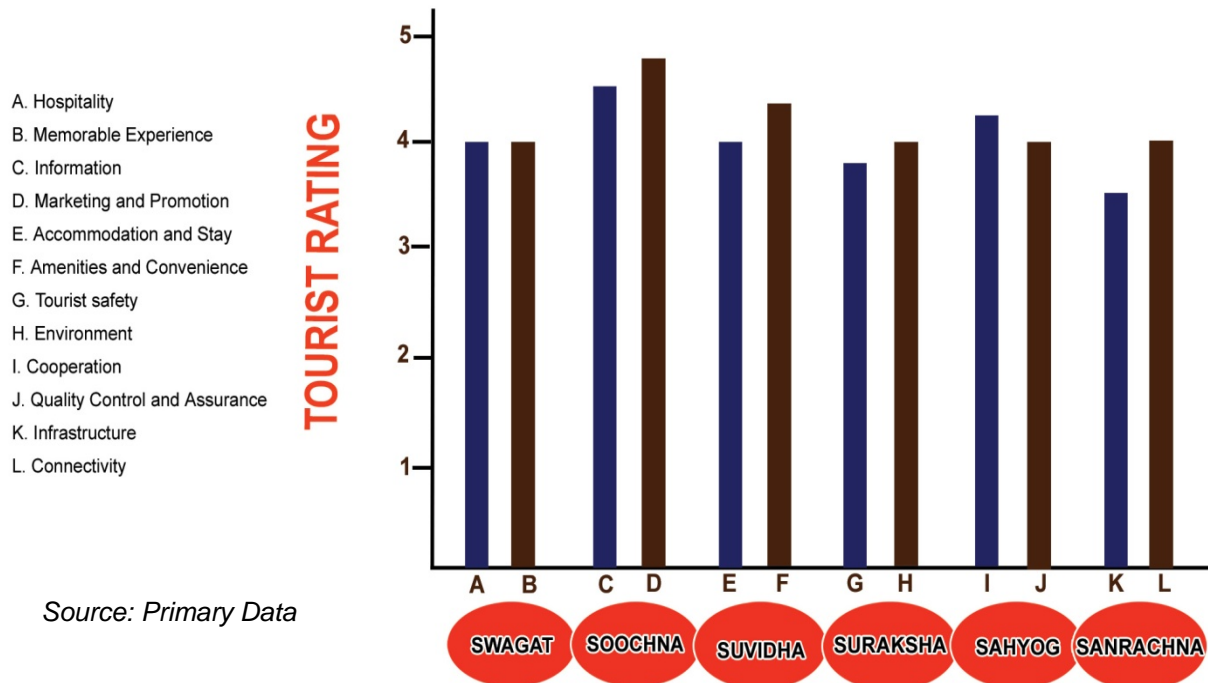
Table 1. The ‘Six S’ frame work for evolution of KTM



Source: Kerala’s approach to Tourism Development: A case study, Ministry of Tourism and Culture, Government of India.

The evaluation was done with the data collected from 50 participants, comprising of 25 buyers and 25 sellers. The result of the analysis is presented on figure 1.

Figure 1 Ratings of KTM participants



Source: Primary Data

The rating was done on a 5 point scale with 1 for “not satisfactory” 2 for “satisfactory” 3 for “good” 4 for “very good” and 5 for “excellent”.

Figure 1 reveals that the overall satisfaction rate of participants of KTM 2010 is very high. It is an indication of the success of KTM in the promotion of tourism industry of the State.

It is noticeable that the rate of satisfaction of KTM participants is much better than of the overall tourist satisfaction of the State which was studied by Ministry of Tourism and Culture, Govt. of India. Altogether it shows that the PP model evoked a positive impact on the promotion of tourism of the State.

Community – Public – Private – Partnership (CPPP)

In recent years conservationists and policy makers have come to recognize the crucial role that the local communities play in conserving the bio-diversity of any region. The local communities play an important role in tourism for many reasons. It is their homelands and workplaces that are attracting nature travelers. Equity and practicality require that they be active decision makers in tourism planning and management. They are the key players in conserving the natural resources. Their relationship to and uses of natural resources will determine the success of any conservation strategy. The local traditional knowledge of the local communities is often a key component of tourists experience and education. Further, the benefits of tourism should ultimately reach the local people so that their social and economic development can be ensured. Therefore, sustainable tourism is possible only with the active involvement of local communities. The sustainability of PPP model in tourism is also to a very great extent depends up on the involvement of local communities. Hence a new evolved in this regard is CPPP model.

The economic importance of tourism for Kerala is quite explicit, but it does not always positively affect local population and the environment. As most of the tourist spots in Kerala are located in remote and rural areas, involvement of local communities in a meaningful manner is quite essential for the sustainability of tourism projects. Here, what is really required is to workout a strategy as to how villagers/ local communities can be empowered to use and access the economic potential in a participatory manner. From both forward and backward linkages, the rural villagers / local communities and the tourism industry are mutually dependent on one another.

CPPP provides a unique opportunity to private entrepreneurs, government and local communities to collaborate themselves in achieving key policy objectives of tourism and the resultant benefits like job creation, generation of revenue and socio-economic development. Therefore, the main focus should be on designing of such partnerships in a manner that is commercially attractive, fair and sustainable, satisfying the requirements of local communities and the industry.

Key Principles of CPPP

1. Tourist satisfaction
2. Industry profitability
3. Community acceptance
4. Socio-economic development of the local communities
5. Environmental protections

Benefits of CPPP

1. Inclusion of community as an integral part of tourism planning
2. Recognize, support and promote community ownership of tourism
3. Exploitation of the complete potentialities of tourism
4. Inculcate community pride
5. Preservation and protection of tourist attractions
6. Develops a culture of respect for cultural differences and human dignity
7. Equitable distribution of the benefits of tourism to the stakeholders
8. Conserve the unique character and culture of local areas
9. Enhances standard of life
10. Healthy working relationship among government, communities and the industry
11. Promotes cultural exchanges
12. Bring about economic development at community level.

Key Players

The main partners involved in CPPP are government, private entrepreneurs and local communities. Each of them must participate actively and constructively to ensure the success of the programme. Here, the role and functions of each partner needs to be specifically identified.

Community

The main role of the local community is to provide an authentic cultural experience and to offer genuine hospitality. Through this authenticity, meaningful personal interactions and quality service, the private entrepreneurs will find it easy to market their tourism products. They must take the genuine responsibility of preserving the biodiversity of their region and tourist attractions. Moreover, the local community should extend a sense of security to their guests, the tourists so that the tourists might feel at home here.

Government

The government of the state is the principal agency in the community-public- private partnership. The main role of the government in this context is to act as the environmental custodian and an agency to ensure the welfare and economic empowerment of people. Therefore, the basic duty of the government is to see that the local community along with the private entrepreneurs is fully involved in the programme so that the benefits of tourism will ultimately reach them.

Private Entrepreneurs

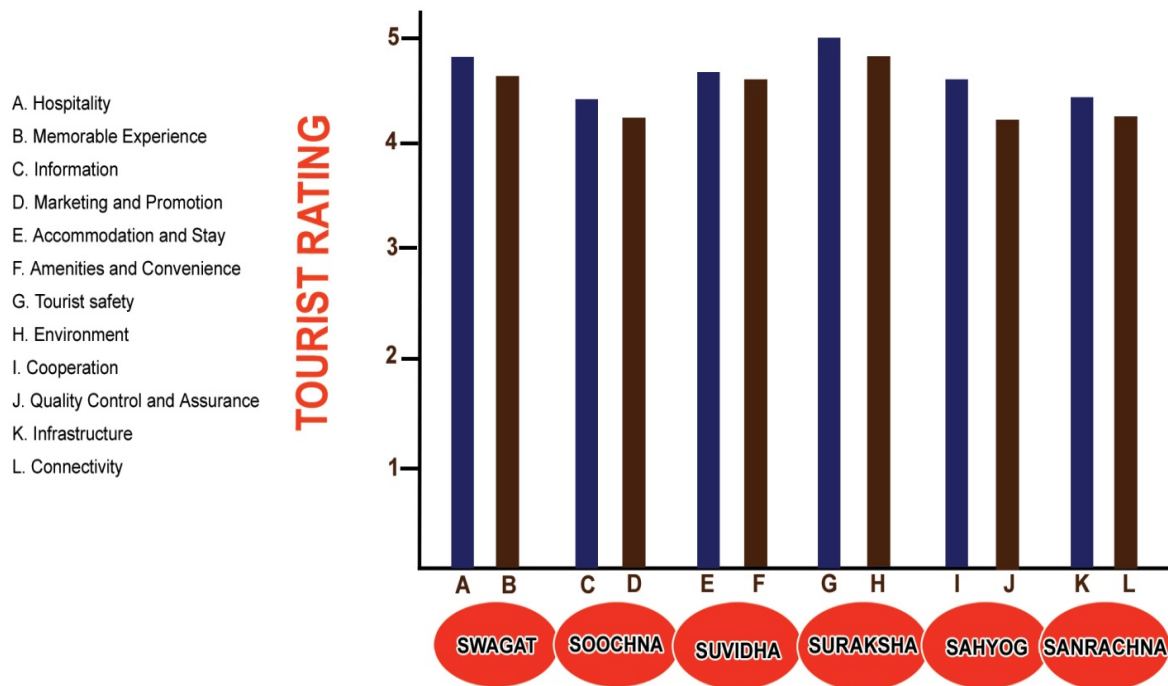
In CPPP, the private entrepreneurs should act different roles such as investor , developer, operator and principal risk taker in the projects. Entrepreneur is the provider of intellectual and capital investment required for the project.

Thenmala Eco-Tourism – A Success Story of CPPP Model

Thenmala Eco-tourism has been conceived as a first planned eco-tourism destination in Kerala. Which started functioning in 1999? It is a small village at the foothills of Western Ghats and predominantly a forest area. Eco-friendly general tourism is planned in the periphery of the sanctuary. The most important eco-tourism resource of this project is shendurey wild life sanctuary. The real ecotourism are encouraged for that. Others can experience the eco-friendly products such as small nature trails, elevated walkway through canopies, mountain biking etc. The Thenmala eco-tourism won the prestigious Pacific Asia Travel Association Gold award for 2003-04, National Tourism Awards for most Eco-friendly organization 2001-02 and Best Eco-tourism Practices (2003-04). The World Tourism Organisation (WTO) has incorporated Thenmala Ecotourism project in its publication titled, “Sustainable Development of Ecotourism: A Compilation of Good Practices in SMEs”.

The Thenmala Eco-tourism project envisages a unique synergy among government, private sector and the local community. The private sector dominates in the areas of accommodation, transportation and related infrastructure. At the same time, the local community in the area concentrates on eco-tourism product management, local traditional transport, local handicrafts, local art etc. within the overall regulatory and supportive framework extended by the State Government. Any conservation project needs cooperation and coordination among the different stakeholders involved in it. Here this project has institutionalized through the Thenmala Eco-tourism promotion Society with the coordination of the Department of Tourism, Department of Irrigation, Department of Forest and Wildlife, local bodies etc. The local community support for eco-tourism products are institutionalized through the committees of local dependent community called the Eco-Development Committees.

Evaluation of the performance of Thenmala eco-tourism project was undertaken with the help of the ‘SixS’ parameters framework. For this purpose, primary data were collected from 50 tourists and the result of the analysis is given in figure 2.

Figure 2. Tourist Rating of Thenmala Eco-tourism

Source; Primary Data

Analysis of the 'Six S' shows that the satisfaction rate of tourists is very high in terms of all the parameters. Further it is worth noting that tourist satisfaction rate of Thenmala Eco Tourism is better when compared to that of participants of KTM. This reveals that CPPP model can be considered as a best model for the promotion of tourism of the state. The State of Kerala has a vibrant potential in utilizing the tribal and local people in fostering tourism promotion, which in term will develop a new development pattern of rural areas.

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