

The Economic and Environmental Impact of Tourism on Quality of Life of Residents in Kerala

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Abstract: *This study investigates how the economic and environmental impact of tourism affects the quality of life (QOL) of residents. The proposed model in this study structurally depicts that satisfaction with life in general derives from the satisfaction with particular life domains. Overall life satisfaction is derived from material well-being, which includes the residents' sense of well-being as it is related to material possessions and health and safety wellbeing domains. The model also posits that residents' perception of tourism impacts (economic and environmental) affects their satisfaction of particular life domains. Accordingly, the study proposed a hypotheses: Does tourism affect the quality of life of residents. Social exchange theory has been the dominant theoretical framework employed in the study to evaluate resident's evaluation of tourism development. The sample population consisting of residents residing in Ernakulum district who are directly and indirectly related to tourism was surveyed. The sample was proportionally stratified on the basis of seven Taluks in Ernakulum District. Four hundred and fifty respondents completed the survey. Structural Equation Modelling and Multiple Regression were used to test study hypotheses. Findings of this study also showed that there is a positive relationship between the economic impact of tourism and quality of life of residents in the community, meaning that as residents' perception of the positive economic impact of tourism increases, their satisfaction of material well-being increases too; and that residents' increased satisfaction of the material well-being affected their overall life satisfaction.*

Keywords: Quality of life, Tourism impacts, Social Exchange Theory

1. Introduction

From the second half of the century people began to use the term "Tourism and Quality of life" in strategies and speeches. After that more countries realize the value of this topic and they understood this factor has to be measured in order to make the residents life better. WHO defines Quality of Life "as individual's perceptions of their position in life in the context of the culture and value systems in which they live and in relations to their goals, expectations, standard and concerns". From this definition we can say that anything contributed to resident's economic, social, cultural and environmental welfare and the improvement of these factors emphasized the quality of life. Numerous studies focused on the effect of many factors involved in quality of life; among this the most empirical quality of life domain was provided by Cummins (1996) and since these domains form the basis of the Comprehensive Quality of Life Scale and it is known as Com QOL domains. From the seven quality of life measures introduced by Cummins that was (material, health, productivity, intimacy, safety, community, and emotional), the present study take four domains that is material well-being, emotional well-being, community well-being and health and safety well-being to explain quality of life of residents.

According to (Kim, 2002 & Sirgy, 2001) tourism creates various kinds of impacts that accrue from tourism development and it is inevitably affecting the quality of life residents in the communities. Though the impacts of tourism may differ between communities, Social Exchange Theory support the view that the extent of the support for further tourism development among community residents will depend on the perceived benefits of tourism development to both individual members of the community and the community as whole. It is therefore more significant to gain insight in to the host community's perception of the impact of tourism development and the effect of these impacts of

tourism on their personal quality of life and the community in general. Tourism research studies propounded that the perspective of tourism development to provide various economic, social, cultural and environmental benefits to communities, leaving many decision makers with the dilemma of whether to invest in tourism sector leads as a means to community development or not.

The focus of the present study is to identify the perception of the community from tourism development is to illustrate through empirical research that investigate the Economic and Environmental impact of tourism on quality of life of residents in the community can be used as a basis to decision makers on whether tourism as a means to community development or not.. The present study has identified Ernakulum district since it ranks at the top in attracting foreign tourist accounting for a share of 39.2% to analyse the effects of tourism on quality of life on residents.

1.1 Statement of the Problem

McCool and Martin (1994) indicated that purpose of tourism development should be to increase the quality of life (QOL) for local residents. The underlying premise is that tourism brings economic benefit to communities through job opportunities, tax revenue, investment etc. at the same time it also produce a variety of negative impacts such as crowding, traffic congestion, pollution, increased cost of living that may harm residents quality of life. Researchers have identified a connection between resident's quality of life and tourism development and have identified several factors which influence resident's quality of life such as type and number of tourist, social exchange relation, type of tourism development etc.

Resident's quality of life and satisfaction are important not only for residents but also tourism investors and stakeholders. Residents who support tourism development,

providing a more positive experience for the visitors, which may influence both, revisit intention and word of mouth recommendation. Therefore understanding resident's quality of life from economic and environmental perspective can be very instructive. This information may be very useful to regional, local, tourism stakeholders, tourism planners and policy makers.

2. Literature Review

The literature review is theoretically divided into five sections, first section reviewed the importance of tourism studies by Leiper Neil (1979), Krippendorf, J. (1982), Mill and Morrison (1985), Gunn (1988), Inskeep, (1991), Formica, S. (2000), etc. This studies found that tourism create an opportunity for the local community to be a part of tourism sector and get benefit from tourism activities. The government should take appropriate policies for promoting sustainable tourism development in a tourism destination. Second session reviewed tourism theoretical models mainly by Doxey's (1975) 'Irritation Index', Butler (1980) tourist area life-cycle, Moscovici, S. (1983) "Social Representation Theory, Molotch, H and Logan, J. (1984) "Growth machine theory", Homans, G. (1967), Blau .P.M. (1964) Emerson.R. (1972) Social Exchange Theory (SET). Social exchange theory is considered the most suitable framework for the current study as it aids in explaining why some residents perceive an impact of tourism positively while some others perceive it negatively (residents' perception of tourism impacts is a result of assessing the exchange between rewards and costs).

Third session review the impacts of tourism on quality of life studies. Tourism impacts studies emerged in the early 1960's gave more importance on national development, rate of employment, and multiplier effect. In 1970's tourism impact studies give more preference on the socio-cultural issues. In 1980's Butler tourism life cycle model explain the environmental impact of tourism. 1990's onwards tourism impacts studies are an integration of the effect of the economic, social, cultural and environmental impacts leading to greater shift from "Mass tourism" to "Sustainable Tourism" in the form of eco-tourism, community tourism, heritage tourism etc. The important studies related to Quality of life were that of Richard (1988) MaCool and Martin (1994) Roehl (2000) Kim K (2002) Charls and Duffy (2009) Aref (2011) Uysal Muzzafer (2010) Khizindar M Tariq (2012) This studies revealed that most residents of the perceive tourism impact to be largely positive in their community. Tourism impact has a strong potential to yield a better quality of life. Furthermore this study validated SET as useful considerations in tourism planning and development. Fourth session reviews tourism studies based on structural equation models by Anderson, C. J and Gerbing, W. D (1998) Yoon, Y. (2002) Hooper, D, Coughlan, J and Mullen, M (2008) Ana Renda Isabel et al (2011) Renda Isabel Ana et al (2011) According to them structural equation modelling (SEM) is one of the best techniques for researchers in the field of social science. The underlying premise is that how the model best represents the data reflecting the underlying theory.

In the last session Kerala tourism studies were reviewed Sreekumar T.T and Parayil G (2002) Vijayakumar B. & Pillai K. R. (2008) Ajims & Jagathyraj (2008) Raj R Vijay (2012) Shyamala et al (2014) studies on the development of tourism in Kerala, effect of backwater tourism, trends in responsible tourism, problems and prospects of tourism. Tourism and quality of life is undoubtedly one of the most significant areas of research in tourism studies today, because once a community become tourism destination the lives of residents of that community are affected by tourism both positively and negatively. The literature survey shows that studies have been conducted on the impact of tourism on quality of life but it is clear that no systematic study has been conducted in Kerala. As a result, many basic research questions remain unanswered. Moreover there are no studies associated with tourism and quality of life of residents in Ernakulam district. Hence infilling this gap, the present study has much relevance

2.1 Research Issues

- Does tourism affect the quality of life of residents?
- Does the resident support further tourism development in their area?

2.2 Research Objectives

- To analyse the direct effect of economic and environmental effect of tourism on quality of life of residents in the community.
- To analyse resident's evaluation and support for further tourism development in their community.

2.3 Research Hypotheses

- H1: Residents' quality of life is a positive function of their perceptions of the economic impact of tourism.
 H2- Residents' quality of life is a positive function of their perceptions of the environmental impact of tourism
 H3- Resident's material well-being domain is a positive function of the perception of the economic impact of tourism.
 H5- Resident's health and safety well-being domain is a positive function of the perception of environmental impact of tourism.
 H6 - Resident's evaluation of the effect tourism significantly relate to support for further tourism development.

2.4 Theoretical Framework

Social Exchange Theory (SET) has been the dominant theoretical framework employed by numerous studies in the past. Its theoretical foundation lies on the works of Homans (1961) and others. The theory aims to understand the exchange of resources (of a material, social or psychological nature) between individuals or groups in an interaction situation. Social exchange theory is considered the most suitable framework for the current study as it aids in explaining why some residents perceive an impact of tourism positively while some others perceive it negatively (residents' perception of tourism impacts is a result of assessing the exchange between rewards and costs). Since the benefits derived from tourism are not equal for all

members of the community, social exchange theory is employed in this study for explaining the reasons for various levels of support for tourism within the same.

2.5 Research Methods

a) Sampling and data collection

Sampling Strategy

Taluk	Population*	% of Population	Tourist Destinations	Sample size
Kanayannur	8,51,406	25.94	1.Tripunithura Hill Palace 2.Veegaland	110
Kochi	5,08,212	15.48	1.Fort Kochi , 2.Bolgatty Palace	70
Kunnathunad	4,69,164	14.29	Kodanad	60
Aluva	4,68,408	14.27	Malayattoor,Kalady	60
Paravur	4,10,571	12.50	Cherai Beach	50
Muvattupuzha	3,36,224	10.24	Arekkal Waterfalls	50
Kothamangalam	2,38,403	7.26	Bhoothathankettu Dam	50
TOTAL	32,82,388	100		450

*Source: 2011 Census Report

This study was conducted in seven Taluks , Kanayannur (Tripunithura Hill Palace, Veegaland), Kochi (Fort Kochi, Bolgatty Palace),Kunnathunad (Kodanad), Aluva (Malayattoor), Paravur(Cherai Beach), Muvattupuzha (Arekkal Water Falls), and Kothamangalam (Bhoothathankettu Dam).The important tourist destinations from each Taluk in Ernakulam district were selected for the study and, then a stratified (beneficiaries of the direct and indirect effects of Tourism) sampling method was utilized to determine the number of respondents required from each tourist destinations. Afterwards, random sampling was used to select a predetermined number of respondents from each area.

A sample size of 450 respondents were selected across seven Taluks of Ernakulum district with a sample of 50 or more from each Taluk based on power analysis and desired significance level of 5%.The sample for study included residents in selected regions who were at least 18 years of age or older.

b) **Questionnaire development** :A structured questionnaire with closed-ended questions was used to collect data.

c) **Concepts, Variables and Measurement**

Concepts	Variables used in Questionnaire
Economic impact	<ul style="list-style-type: none"> Tourism creates variety of jobs. Tourism creates employment opportunity. Local business benefits most from tourism Tourism brings more investment to the local economy. Local government generates foreign exchange. Generates tax revenues for local governments. Standard of living increases due to tourist spending. Improve economic situation of many residents in the community. The benefit of tourism outweighs its cost. The cost of living has increased due to tourism. The price of goods , services and real estate increases
Environmental impact	<ul style="list-style-type: none"> Tourism creates environmental pollution and noise Tourism produces congestion. Tourist activities like boating produce water pollution Tourism produces large quantities of waste products. Tourism has contributed to preservation of the natural environment and protection of the wildlife in the community. Tourism improved the ecological and environment balance in the economy.
Material well-being	<ul style="list-style-type: none"> Your family income & income at your current job. Economic security of your job. Pay and fringe benefits you get Cost of living in your community
Health and safety well being	<ul style="list-style-type: none"> Your Health. Air quality in your area. Water quality in your area. Environmental pollution threatens public safety and causes health hazards. The environmental cleanness in your area. The community's safety and security

d) Types of scales used

- Nominal Scale
- Interval Scale (Likert Scale): , (strongly disagree-1 to strongly agree 5)and (very dissatisfied-1 to very satisfied-5).The five -point rating scale was used in this study with adaptation of the summated ratings method

3. Analytical Framework

- 1) The study tested the hypothetical model by using Structural Equation Modelling (SEM).
- 2) A one sample Z test was used to investigate the level of quality of life
- 3) Confirmatory factor analysis was used to explore the relationships between independent and moderating variables and to describe the construct of the theoretical frame work.
- 4) Correlation, ANOVA and Regression
- 5) Frequencies, Percentages, graphs and tables were used to examine and classify respondent's profile.(Descriptive Statistics)

4. Major Findings**1) Effect of tourism on particular quality of life domains**

The result shows that resident's material well-being domain is a positive function of the perception of the economic impact of tourism. In the case economic and material wellbeing correlation is 0.892.This is because tourism development create employment opportunity, increases revenues to local business. This study also confirms Cummins' (1996) study that the satisfaction of material well-being domain mostly comes from the economic situation, income, living situation, housing, financial situation, and personal possessions. The resident who has a job related to tourism perceives an improved economic situation, or an increment of employment opportunity (one positive economic impact) in the community. The result support Jurowski (1994), that the development of tourism affects the lives of residents in the community in better or worse way. Usually perception of tourism impact influences their living conditions like employment opportunity, income, standard of living etc. consequently satisfaction of particular life domain affects the overall life satisfaction. The study also confirms that tourism increases standard of living, generate employment, and increase revenue to local business. The result is in conformity with that of the research findings of Backman & Backman (1997) and others. The main finding of the present study is that there is a positive relationship between economic impact and material well-being.

2) The effect of tourism on overall quality of life.

The analysis shows that the effect of tourism significantly affect overall quality of life of residents in the community, but did not support individually proposed hypotheses that there are direct positive relationship between tourism impact and overall life satisfaction. However it should be noted that the effect of each tourism dimensions on overall life satisfaction did not show statistical significance, some sense of direct effect of tourism impact on overall life satisfaction still existed.

The correlation between quality of life and Economic impact is (0.882) which indicate that there is significant positive relationship between quality of life and Economic impact so we conclude Residents' quality of life is a positive function of their perceptions of the economic impact of tourism". But no positive relation exists environment impact with quality of life. This is because of the fact that workers in the tourism sector are more perceive the positive economic impact of tourism than workers in the other sectors. They are more conscious about the negative aspects of tourism like overcrowding especially in the peak season, traffic congestion, pollution, destroying culture etc.. The result support social exchange theory, as it aids in explaining why some residents perceive an impact of tourism positively while some others perceive it negatively (residents' perception of tourism impacts is a result of assessing the exchange between rewards and costs). In addition, the theory suggests that residents who perceive the impacts of tourism more positively (express a willingness to enter into an exchange) will support further tourism development more than those who perceive the impacts less positively or even negatively...

3) Residents evaluation and support for further tourism development

The findings of the study accept the Hypothesis that the resident's evaluation of the effect tourism significantly relate to support for further tourism development, suggesting that a more favourable perception of economic impacts leads to greater support for further development. Tourism development brings more benefit than cost (0.611) and has significant influence on the evaluation of tourism. This reflects the common view of tourism as a tool for economic development of local communities The findings of the study also support previous studies (e.g.,Gursoy, et al., 2010; Jurowski et al., 1997), whereby residents are more likely to support tourism development if they expect its benefits to outweigh the potential negative impacts.

Resident's material well-being domain is a positive function of the perception of the economic impact of tourism. The residents perceived tourism development create employment opportunity, increases revenues to local business, and residents demographic profile changed as driver, home stay owner, resort owner, etc The study also found a positive relationship between economic impact of tourism and material well-being. The study indicates that there is significant positive relationship between quality of life and Economic impact so we conclude Residents' quality of life is a positive function of their perceptions of the economic impact of tourism". Further no such positive relation exists environment impact with quality of life. This is because of the fact that workers in the tourism sector are more perceive the positive economic impact of tourism than workers in the other sectors.

To conclude, residents who had viewed a more extensive level of tourism were more likely to be influenced on the economic effect of tourism development in their community. Tourism development has thus created much economic benefit in the community as per this research study

5. Conclusion

The findings contribute toward a deeper understanding of the “exchange” process specified by the Social Exchange Theory, by considering the distinct effect of each perceived impact domain (economic and environmental) on residents’ quality of life and support. While supporting the general proposition of the SET, the findings further emphasize that the importance residents assign to the various tourism impacts in shaping their support contextually depends on a place’s peculiarities such as economic conditions and stage of tourism development. As evident in the study area, perceived economic impacts have the strongest effect, than environmental impacts. This is not entirely surprising, since the potential economic benefits are both easy to observe and are often the most valued by local authorities and residents on the SET have considered residents’ support as the result of a simple weighting of costs versus benefits, the current study suggests that residents engage in a more complex evaluation of the exchange they are about to enter. The results and suggestions will be of great use to policy makers in tourism and government.

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