

Impact of Globalization on Tourism Development: Global Scenario

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I. INTRODUCTION

Globalization is process of interaction and integration among the people, companies and government of different nations. Tourism is one of the most important areas that globalization affect. This process driven by international trade, investment and aided by information technology. Tourism is one of the most important area that globalization affect. Globalization as a process of economic, social, cultural and political activities, erosion national boundaries and affects tourism. Globalization has for reaching effect on various sector of an economy. This paper analysis the impact of globalization on tourism sector.

Tourism is a rapidly evolving industry that has become increasingly competitive in the Global area. It is gaining universal acceptance as a potent engine for inclusive socio-economic progress because of the jobs created and infrastructure developed. It has the potential to stimulate other economic factors through its forward and backward linkages and ability to create more employment due to its multiplier effect on the economy.

Manila Declaration on World Tourism (1980) states that tourism has direct effects on the social, cultural, educational and economic sectors of a nation and their international relations. Tourism activity has moved from a restricted activity to an integrated social and economic life. Tourism plays a main role in national economic activity and international transaction. Even domestic tourism contributes to improved balance of payment in a national economy and improves awareness regarding common interest. The right to holidays, awareness of national identity, opportunity for citizens to get to know his own environment etc., are the major reasons for increasing one's participation in domestic and international tourism. Tourism improves the quality of life of the whole mankind in all countries, without any discrimination of religion, beliefs, social, economic and political system. It helps in safeguarding of peace by dispelling intolerance, prejudice and misconception and creating climate of understanding.

This paper deals with the global status and trends of tourism, contribution of tourism sector to employment, gross domestic product and overall economic progress at the global level on the basis of secondary data.

Tourism development, Economic and Employment growth: Global Scenario

The Travel and Tourism industry is one of the key sectors for economic growth and employment generation in the world. An ever increasing number of destinations worldwide have opened up to, and invested in tourism, turning tourism into a key driver of socio-economic progress through export revenues, the creation of employment and enterprises and infrastructure development. Over the past six decades, tourism has experienced continuous growth and diversification and has become one of the largest and fastest growing economic sectors in the world. Many new destinations have emerged in addition to traditional favorites of Europe and North America. Despite occasional shocks, international tourist arrivals have shown virtually uninterrupted growth from 25 million in 1950 to 278 million in 1980, 528 million in 1995 and 1087 million in 2013.

Contribution of Travel and Tourism to World GDP and Employment

The contribution of Travel and Tourism industry to World Gross Domestic Product and Employment is significant. Its multiple effects contribute to world economy directly, indirectly and through inducement activity of travel and tourism. The following table shows the contribution of travel and tourism to world GDP and employment.

Contribution of travel and tourism sector to World GDP and employment

Direct Contribution to GDP	US\$ 2.4 Trillion
Total Contribution to Global Economy	US\$7.6 Trillion
Direct Contribution to Employment	2.1 Million
Indirect and Induced Contribution to Employment	4.0 Million
Total Contribution to Growth of Employment	2.3 Percent
Total contribution to Growth of GDP	3.6 Percent

Source: World Travel and Tourism Council,2015 Annual Update Summary

Above table clearly shows that in the year 2014, the contribution of Travel and Tourism Sector to the World economy was US\$ 7.6 trillion, which is equal to 9.8 percent of the World Economy GDP. According to Economic impact of Travel and Tourism 2015, Annual Update Summary report, 2.1 million new employments were generated directly .During the year 2014, the indirect and induced contribution to employment was 4.0 million in the world. Total contribution of travel and tourism sector grew to 2.3 percent and total GDP contribution grew by 3.6 percent in the year 2014. The direct contribution of travel and tourism to GDP increased from 2.4 percent in 2013 to 3.5 percent in the year 2014.The above data reflects travel and tourism as a key sector for the growth of the world employment and economy.

International Tourist Arrivals

International tourist arrivals grew by 5percent in 2013, reaching a record of 1087 million arrivals worldwide. Despite a global economic crises, demand for international tourism exceeded expectation. Europe led the growth in absolute terms, welcoming 29 million more tourists in 2013 and raising the total to 563 million. Growth (+5) was double the regions average for the period 2005-2012(+ 2.5% a year).Asia and Pacific recorded the fastest relative growth across all UNWTO regions, with a 6% increase in international arrivals. Africa saw an increase of 5% equivalent to 3 million more tourists, reaching 56 million. In the Americas, international arrivals grew by 3% to 168 million. The Middle East failed to succeed in returning to growth, even though some destinations performed rather well and others saw a moderate recovery. Growth was expected to continue in 2014 at a sustained rate of 4.0% to 4.5% worldwide. UNWTO region, prospects for 2014 are strongest for Asia and Pacific (+5% to+6%) and Africa (+4% to +6%), followed by Europe and Americas (+ 3% to +4%).In the Middle East (+5%) prospects are positive yet volatile. The following table reveals the international tourist arrivals in various regions of the globe.

International tourist arrivals

Countries	International Tourist Arrivals(Million)							Changes (%)		Average Annual Growth (%) 05-13
	1990	1995	2000	2005	2010	2012	2013	12\11	13\12	
World	434	528	677	807	948	1035	1087	4.1	5	3.8
Advanced Economies	296	334	421	459	506	551	581	3.8	5.4	3
Emerging Economies	139	193	256	348	442	484	506	4.4	4.5	4.8
Europe	261.1	304	388.2	448.9	484.8	534.4	563.4	3.6	5.4	2.9
Northern Europe	28.2	35.8	46.6	60.4	62.7	65.1	68.9	0.9	5.8	1.6
Western Europe	108.6	112.2	139.7	141.7	154.4	167.2	174.3	3.5	4.2	2.6
Central Europe	33.9	58.1	69.3	90.4	94.5	111.7	118.9	8.3	6.5	3.5
South Europe	90.3	98	132.3	156.4	173.3	190.4	201.4	1.9	5.7	3.2
EU 28	229.7	267.3	332.3	363.8	380	412.2	432.7	2.7	5	2.2
Asia Pacific	55.8	82	110.1	153.5	204.9	233.5	248.1	6.9	6.2	6.2

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North East Asia	26.4	41.3	58.3	85.9	111.5	122.8	127	6	3.5	5
South East Asia	21.2	28.4	36.1	48.5	70	84.2	93.1	8.7	10.5	8.5
Oceania	5.2	8.1	9.6	10.9	11.4	11.9	12.5	4	4.7	1.7
South Asia	3.1	4.2	6.1	8.1	12	14.6	15.5	6.2	6.1	8.4
America	92.8	109.1	128.2	133.3	150.6	162.7	167.9	4.3	3.2	2.9
North America	71.8	80.7	91.2	89.9	99.5	106.4	110.1	4.2	3.5	2.6
Caribbean	11.4	14	17.1	18.8	19.5	20.7	21.2	3	2.4	1.5
Central America	1.9	2.6	4.3	6.3	7.9	8.9	9.2	7.3	3.7	4.9
South America	7.7	11.7	15.3	18.3	23.6	26.7	27.4	5	2.6	5.2
Africa	14.7	18.7	26.2	34.8	49.9	52.9	55.8	6.6	5.4	6.1
North Africa	8.4	7.3	10.2	13.9	18.8	18.5	19.6	8.2	6.1	4.4
Middle East	9.6	13.7	24.1	36.3	58.2	51.7	51.6	-5.4	-0.2	4.5

Source: World Tourism Organization (Data as Collected by UNWTO, May 2014)

Above table reveals the data of tourist arrivals in the international level in various regions of the globe. During the year 2000, international tourist arrival was 677million in the world and raised to1087million in the year 2013. During the year 2013, over half of all travelers arrived at their destination by air (53%), while the remaining travelled by surface transport (47%), where by road (40%), rail (2%) and water (5%). The share of air transport is found to be gradually increasing in recent years.

In year 2013, over half of all international tourists arrived for holiday, recreation and other form of leisure (52% or 568 million). 14% of international tourists travelled for the purpose of business and profession and another 27% travelled, for visiting friends and relatives, religious and pilgrimages places and health treatments. The accurate reason for the arrival of another 7 % of arrivals was not specified.

International Tourism Receipts

International tourism receipts are the earnings in destination countries from expenditure on accommodation, food, drinks, local transport, entertainment, shopping and other goods and services. In macro-economic terms expenditure by international visitors counts as exports for the destination country and imports for the country of residency of the visitor. In the balance of payments, receipts from inbound tourism are reported as travel credit, under the services balance and expenditure on outbound tourism as travel debt. For many countries tourism is a very important source of foreign exchange earnings and very crucial contributor for the economic development, generation of employment opportunity of a nation. The following table reveals the international tourism receipts.

International Tourism Receipts

Countries	International Tourism Receipts Local Currencies, Constant Prices(% Changes)				Receipts (US\$)		
					In Billion		Per Arrival
	2009-10	2010-11	2011-12	2012-13	2012	2013	2013
World	5.2	4.5	4.2	5.3	1078	1159	1070
Advanced Economies	5.8	5.9	4	6	688	745	1280
Emerging Economies	4	2.1	4.5	4	390	413	820
Europe	-0.2	4.9	1.9	3.8	454	489.3	870
Northern Europe	3.4	2.4	3.3	7.1	67.6	74.2	1080
Western Europe	1.4	3.9	2.7	1.7	157.9	167.9	960
Central Europe	-3.5	6.8	4	3.4	56.3	59.9	500

South Europe	-1.9	6.1	0	4.5	172.2	187.3	930
EU 28	0.9	4	1.7	3.4	374.2	402.9	930
Asia Pacific	14.9	8.3	6.7	8.2	329.1	358.9	1450
North East Asia	21.4	9.2	7.9	9.3	167.2	184.7	1450
South East Asia	15	12.9	10.6	9.7	96	107.4	1150
Oceania	-3	-4.1	-1.3	1.9	43	42.6	3410
South Asia	10.7	11.6	-0.6	5.3	22.9	24.3	1570
America	4.2	5.1	5.7	6.4	212.9	229.2	1360
North America	6	5.9	6.7	7.8	156.4	171	1550
Caribbean	0.7	-1.5	1.2	2.1	24.2	24.8	1170
Central America	0.3	9.7	7.5	3.2	8.7	9.4	1020
South America	-2.2	5.7	3.2	3.2	23.6	23.9	870
Africa	2.6	1.7	7.3	0	34.3	34.2	610
North Africa	0.2	-5.5	9.1	-1.4	10	10.2	520
Sub-Saharan Africa	3.8	5	6.5	0.6	24.3	24	660
Middle East	16.3	-17.2	2.2	-1.9	47.5	47.3	920

Source: World Tourism Organization (Data As Collected by UNWTO, May 2014)

Above table reveals the data of international tourism receipts of the world for the year 2013. International tourism receipts in tourist destination around the world grew 5 percent in real term to reach US\$ 1159 billion. In absolute terms international tourism receipt increased by US\$ 81 billion. Europe, which accounts for 42% of all international tourism receipts, saw largest growth in the year 2013. Europe's international tourism receipts increased by US\$35 billion to US\$489 billion. In Asia and Pacific region international tourism receipts increased by US\$30 billion to US\$ 359 billion, in America's international tourism receipts increased by US\$ 16 billion to US\$ 229 billion. In the Middle East international tourism receipts are estimated at US\$47 billion and in Africa at US\$ 34 billion. In relative terms Asia and Pacific region recorded the largest increase in international tourism receipts, followed by America and Europe.

Tourism generates huge export earnings through internal passenger transport services. In 2013, the export value of the latter is estimated at US\$ 218 billion, bringing total tourism export earning to US\$ 1.4trillion. International tourism (travel and passenger transport) accounts for 29 percent of the World's exports of services and 6 percent of overall exports of goods and services. As worldwide export category, tourism ranks 5th after fuels, chemicals, food and automotive products.

Impact of Globalization on Tourism

Impact of globalization on tourism can assess from a number of perspectives. They are:-

1. Global mobility and ease of travel: The advances made in transportation that have enabled global mobility are particularly significant. Modern aircraft, cruise ships, trains and other mode of transport allow people to move quickly and relatively cheaply. Past trains, road systems and even city bike rental programs enable people to move tour and explore the world. These changes have allowed more people to travel more often in less time. Ease of travel has also helped to overcome the barriers of fear, frustration and expenses. An international banking system allows access to money almost anywhere in the world. Multinational corporations which provide flights, local transportation and accommodation and food, have allowed for one-stop-shopping for travel booking. Handheld devices have also changed the nature of travel in terms of what travelers do and how they interact with a destination, making it easier to select restaurant, navigate a big city or translate a foreign language. As a result these are fewer unexplored places in the world anymore.

2. Population and Demographic Trends: According to the United Nations Population Fund (2015), the world population reached 7 billion in 2011 and is projected to exceed 9 billion by 2050. The population continues to increase, but not uniformly across the world. There are approximately 1.8 billion young people in the world (between 10 and 24 years), which is the largest that this group has ever been. They have tremendous opportunity for economic and social progress, resulting in a "youth dividend" for countries that embrace this demographic and their youthful vitality. This group is also travelling more than ever before in history

More people are migrating than ever before, with 232 million recent migrants compared with about 175 million in 2000. The top five destinations are the United States, the Russian Federation, Germany, Saudi Arabia, and the United Arab Emirates.

More than half of the global population is urban, and the urbanization trend is expected to continue as people search for more jobs, more services, and more activities. Not everyone benefits equally though, as housing and other infrastructure struggles to keep up with the growing urban population.

To keep up with all of these changes in demographics, destinations will need to provide products and services to suit the older, culturally diverse, multi-generational travellers as well as the adventurous youth. Additionally, hiring and retaining staff will require a rethinking of human resource policies and procedures, compensation, and other aspects for the changing population of employees.

3. Terrorism, Safety, and Security: Terrorist attacks and political unrest globally have certainly disrupted tourism, but not halted it. The areas most affected, of course, are those where unrest has occurred and has been the focus of extensive media attention. A global terrorism index produced by the Vision of Humanity organization shows a fivefold increase in terrorist fatalities since 9/11 (MacAskill, 2014). The Islamic State (ISIS), Boko Haram, the Taliban, and al-Qaida are groups responsible for many of the 18,000 terrorism-related deaths in 2013, which represented an increase of 60% over the previous year.

While safety and security may not be the driving reasons for tourists selecting a particular destination, certainly a lack of safety and security often eliminates a location from travellers' "wish lists."

Safety and security for travellers is becoming more important as countries move to protect their citizens. Government agencies around the world produce advisories and warnings for their citizens to stay away from dangerous locations and political unrest.

4. Increased Awareness of New Destinations: Another influence of globalization on tourism is a greater awareness of destinations and the range of leisure activities, sites, and cultures to visit around the world. Generating knowledge of a destination is obviously a key first step in marketing a destination, and this is achieved by way of travel shows, films, blogs, and other forms of communication. The competition to attract visitors is fierce considering the sheer number of places available for travel; it can be easy to get lost in the noise of global competition.

5. Poverty: Globalization has contributed to increased demand for goods and services and overall economic growth, with the result of global poverty having decreased over the years. However, at the same time, the gap between the richest and poorest has expanded. A significant portion of the world's population is simply unable to participate in, or benefit from, tourism. The economic gains from a tourism economy in a developing country such as Honduras versus a developed country such as Canada is unequal. Simply put, not everyone has the same opportunities to profit. Environmental costs are also unevenly distributed in the world, with poor countries lacking the resources to adapt to impacts (such as droughts, increased disease, soil erosion), and shouldering the majority of the repercussions of phenomena such as global warming.

II. CONCLUSION

The Travel and Tourism industry is one of the key sectors for economic growth and employment generation in the world. An ever increasing number of destinations worldwide have opened up to, and invested in tourism, turning tourism into a key driver of socio-economic progress through export revenues, the creation of employment and enterprises and infrastructure development. Over the past six decades, tourism has experienced continuous growth and diversification and has become one of the largest and fastest growing economic sectors in the world. Many new destinations have emerged in addition to traditional favorites of Europe and North America. Despite of occasional shocks, international tourist arrivals have shown virtually uninterrupted growth from 25 million in 1950 to 278 million in 1980, 528 million in 1995 and 1087 million in 2013.

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