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Ocean Tourism and Poverty Alleviation in India: An Analysis

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Abstract
Blue tourism is important for sustainable development and become one of the largest industries to generate income and promote economic growth and development. Blue tourism is a high-income, healthy and clean industry for the country which has borders with the sea and free water. The growth of blue tourism contributes to poverty alleviation and its prosperity reflects the political, economic, social, security, cultural, and scientific stability of the countries of the world. Tourism has a profound effect on the economic situation of some developed and underdeveloped countries in recent years, making it one of the largest economic sectors in many countries today with the potential to impact poverty reduction. The study used the Ordinary Least Squares (OLS method), which attempted to share the impact of ocean tourism on poverty in India during the time series period (2001-2019. The findings prove Ocean Tourism and Poverty have a positive relationship.

Key words: Indian Economy, Ocean Tourism, Poverty, Unemployment, Methodof OLS

1. Introduction

Tourism sector worldwide supports 1 in every 10 jobs its means that 319 million jobs are made by travel and tourism sector worldwide and this sector is the cause of 10.4% of the world GDP. In 2018 the growth rate of the travel and tourism sector was 3.9 percent while global economy was 3.2%. In every five new jobs one job was generated by tourism industry o'er the

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last five years (World Travel and Tourism Council report, 2019).When it comes to Ocean tourism, its contribution to the total ocean industry value-added is expected to attain 26 percent by 2030, becoming the biggest blue economy sector as well as Ocean tourism will employ almost 1.5 million people more by 2030 its means that from 7 million employed in 2010 it will increase to 8.5 million in 2030 (Blue Tourism Report, 2019).

Ocean tourism refers to beach-based tourism and amusement activities, containing swimming, surfing and sunbathing, sidelong with other activities taking place on the coast. Ocean tourism also including Maritime tourism that refers to mostly water-based activities, like cruising, yachting, sailing, and other maritime sports which often carried out in coastal waters. Ocean tourism is counted as oldest and largest sections of the tourism industry. (V. N. Attri, 2018)

On the other hand, poverty is a multidimensional phenomenon and consequently affects people's lives in different ways and the poor are susceptible to the highest degree of vulnerability in areas of health, economic turmoil and natural diseases. Poverty undermines human growth, restricts human development, and impedes human capital needed to achieve family welfare. In addition, the damage caused by poverty is longer and wider than the people and facilities involved. (R. Mahadevan et al. 2017). Lack of income and assets to meet basic needs is one of the main causes of poverty. In the meantime, many factors affect the income and wealth implications of economic change. Overall, with economic growth and income, poverty declines, and income reduction increases poverty. Although economic growth is systematically linked to poverty reduction, the extent to which growth is defined as poverty alleviation depends on the initial level of income inequality and how that distribution changes over time. (Sarod & Silvia, 2017).

In the meantime, the tourism industry, because of its unique characteristics, can be used as a tool to reduce the shameful phenomena of poverty and even to combat it. It should be acknowledged that tourism has opportunities because of its high income, usability and employment for all levels and classes of society(Liu & Song, 2018) , as well as the role it plays in equitable distribution of income and redirection of money from the rich and middle classes to the rural and poor communities. It has provided humanity with gold, so it is being used in many developing countries today to reduce poverty (Mahadevan & Amir, 2017)

The coastal and maritime tourism potentials depend, above all, on geographical capitals, the quality of the natural landscapes and vibrancy of their local culture. Therefore, deepening and adding value to these factors as well as transforming them into marketable elements, promoting conservation and conservation policy of these destinations will ensure attractiveness of area and its potentials to make these elements and factors a real tourism product (Christian et al, 2018).

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The economic solution to deploying ocean tourism at tourism areas as a place for commerce. This strategy helps to make each tourism destination an integral part of development as a whole, and to make vertical allocation in field of tourism development a horizontal activity. The cornerstone of a long-term tourism development policy for poor depends on the quality of its implementation, continuity, and long-term follow-up. Therefore, tourism should be pursued for the benefit of the poor with quality culture and thinking. The use of tourism for benefit of the poor is the most humane form of development that has been accepted as a principle at the recent National Tourism Summit. It is not a product or a specific part of tourism, but an attitude (Rodriguez, 2019). Tourism for this area emerged as a tool to help local communities' economies for the first time in developing countries. This in turn has strengthened the relationship between poverty and the oceanic tourism trade (Stephanie, 2007).

India has a high capacity in the tourism industry and is also a country with high capacity in oceanic tourism, with wide water borders, beautiful beaches, and natural islands, which is much of the tourism industry in this country involve ocean tourism. On the other hand, India has been a developing country that has been in constant conflict with poverty and has been able to control this ominous phenomenon to some degree. In this research, we study the relationship between poverty and oceanic tourism in India, besides this, We want to find out if tourism can be a means of reducing poverty in this country and whether tourism has played a role in reducing poverty or not?

Finally in this research should answer to this question: "Can the tourism industry affect the poverty rate of India?"evaluated the relationb/wpoverty and tourism in India by using OLS method. So introduction is at the first part, in second onewe discusses the subject, the third one is empirical studies. In fourth section is the methodology, the fifth one is related to the assessment of the model and analysis of findings in empirical. Finally this paper presented via conclusion.

2. Literature Reviews

CROES & SR (2008), showed that tourism growth policies as an instrument for economic expansion and poverty reduction can be very successful in growing the development of tourism. Thus, Nicaragua is a poor country, a free society, and a small economy, and will likely benefit from stimulating visitors to foreign tourism, which in turn will stimulate economic development. However, the global demand for tourism may have a positive impact on this small economy's long-term economic growth.

Chai et al (2013), examined long-term causality explored by Granger in the Vector Error Correction Model (VECM) is complementary health with economic development of tourism (bi-directional causality), while the one-sided causality between spending of the government on tourism, physical infrastructure, exports and education has contributed. Moreover, before tourism sales, there is a rise in human infrastructure, education, health, exports, and government spending. In effect, all of this leads to indirect economic development.

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Lionetti & Gonzalez (2011), showed by among the costs that tourism investment may incur: inflationary pressures from tourist demand, infrastructure development costs, and the leakage of international investors or companies. In particular, tourism expertise can help explain the high growth rate observed in the small Island's economy and has established the relationship a positive between trade and growth of economy.

Neri & Soares(2012), examined that the social gains from income-based poverty reduction - where benefits are distributed, in general, are relatively evenly distributed between indigenous and immigrant populations. There is a relative decline in health, which is a very severe medium to long-term issues, where most indigenous people bear the costs.

CROES (2014), explained whether tourism costs would reduce the proportion of people under poverty line. The model of error correction is used to estimate the relation between tourism costs and poverty. It has shown that tourism is necessary to the poor, but does not appear to have systemic consequences, and the growth of tourism is more important to the poor at low economic development rates.

Roy (2011), findings of this study showed that tourism in India cannot eradicate the problem of poverty as shown in this study, contrary to empirical evidence for some other developing countries.

Garza-Rodriguez (2019), investigated in the short term, an increase of 1% in foreign tourism contributes to an increase of 0.11% in consumption of household per capita (poverty reduction). The coefficient of error correction model shows that 23.9 percent of every transfer to imbalance will be resolved within one year. Confirming those results, a Toda–Yamamoto Granger causality experiment was conducted.

3. Methodology

Research examined the relationship between tourism industry and poverty in India from the 2010-2011 fiscal year to the 2018-19 fiscal year. The data is secondary obtained from the official website from Ministry of Tourism. In addition, the Least Square Approach (OLS) was used to see the effect of independent "tourism receipt" on the dependent "poverty" variable and for explaining the trends b/w variables we use tables and figures from excel and Eviews.

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4. Data Review and Research Results

Stationarity test:

Before analyzing the research data, the stationary of the variables should be examined. The reliability of the research variables means which variance and mean of the variables over the time series 2000-2018. So, the Augmented Dicky Fuller (ADF) test is one of the most useful tests in the field of stationary.

Table 1- Results of Stationarity analysis (Augmented Dickey Fuller Unit Root Tests) of Growth rate

H0 Hypothesis: GDP growth has a unit root (Non-Stationary of variable)			
ADF test statistic		**t-Statistic**	**Prob.***
		-5.302579	0.0002
Test critical values:	1% level	-3.699871	
	5% level	-2.976263	
	10% level	-2.627420	
Source: Researchers Findings			

Table 1 is showing the variables are Stationary at 90%, 95%, and 99% confidence levelby using (ADF) test results. It means there is unite root in GDP growth rate so, H0 hypothesis is rejected and when the prop value (0.0002) is lower than (0.05) p- value in case 95% of confidence level so, the alternative hypothesis is confirmed which the variable of growth rate of GDP Stationary.

The graph-1 relates to GDP growth over the years 1991-2018. As we can see from this graph, it is clear that the GDP growth variable is stable and our data are distributed around the mean. Which can be deduced to be Stationarity of this variable.

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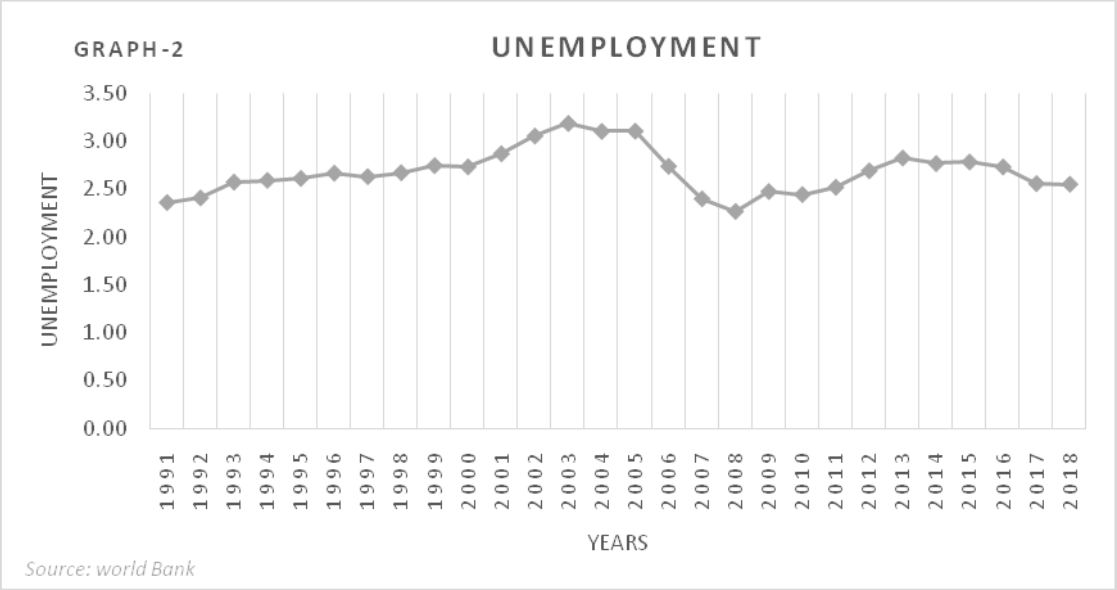
In table 2, results of Augmented DF test shows which the variables in 90% and 99% level of confidence are Non-Stationary but in 95% level of confidence it is Stationary. Therefore the H0

Table 2- Results of Stationarity analysis (ADF Unit Root Tests) of unemployment rate

H0: Unemployment has a unit root (Non-Stationary of variable)			
ADF test statistic		**t-Statistic**	**Prob.***
		-2.956217	0.0526
Test critical values:	1% level	-3.711457	
	5% level	-2.981038	
	10% level	-2.629906	
Source: Researchers Findings			

is rejected at 90% confidence level it means the GDP growth rate has a unit root and the H1 which is unemployment is a Stationary variable accepted.



The graph-2 shows unemployment during the years 1991-2018. The distribution of the data and as well as the unemployment graph is also clear that unemployment data is stationary too. Which can be deduced as being this Stationarity.

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Table 3- The results of Augmented Dickey Fuller Unit Root Tests (ADF) on Tourism Receipts

Null Hypothesis: Tourism Receipts has a unit root (Non-Stationary of variable)

Table 5- The regression and correlation of Tourism Receipts and Unemployment rate

Dependent Variable: Unemployment
Included observations: 18
Sample: 2001 2018
Method: Least Squares

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.675526	0.085683	31.22582	0.0000
Tourism	- 0.003697	0.004398	0.840563	0.4130
R-squared	0.042292	UNEMPLOYMENT = C(1) + C(2)*TOURISM		
Adjusted R-squared	-0.017565	UNEMPLOYMENT = 2.67552606451 - 0.0036966031*TOURISM		

Source: Researchers Findings

According to table 3, results of (ADF) Augmented Dickey-Fuller test shows that there are the variables at 99%, 90%, and 95% confidence level are Stationary. So, the (TRS has a unit root)which is rejected the null hypothesis is and Tourism Receipts (TRs) is a Stationary variable, therefore the alternative hypothesis is confirmed.

Analyzing the OLS model:

Table 4- The regression and correlation of Tourism Receipts and GDP growth

Dependent Variable: GDP
Included observations: 18
Sample: 2001 2018
Method: Least Squares

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.1478	0.4823	12.745	0.0000
Tourism	0.0488	0.0247	1.971	0.0662
R-squared	0.195477	GDP = C(1) + C(2)*TOURISM		
Adjusted R-squared	0.145194	GDP = 6.14789738392 + 0.048815478965*TOURISM		

Source: Researchers Findings

By using the OLS model we can fine there is a meaningful relationship and it's positive between GDP growth and tourism receipts. When the tourism revenue growth rate increase, the dependent variable also increase and conversely. The equation of regression model is (GDP = 6.148 + 0.0488*TOURISM). There for (FTR) is (0.0488), which indicates one percent change of tourism include (0.0488)percent change in GDP. R-squared shows the general impact of

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independent on dependent variable which is (0.195477). In this equation value of intercept is (6.148) depriving the independent (Tourism) variable the GDP(dependent) variable is(6.148).

This is a composition regression equation of Unemployment and tourism receipts (UNEMPLOYMENT = 2.67552606451 - 0.0036966031*TOURISM) which extracted from OLS model and its showing the negative relation b/w Unemployment and tourism in these time series period. Therefore the direction conversely for increasing one variable, the second one is decreasing or, when the dependent virile is decreasing the independence one is increasing. The tourism coefficient is (- 0.0037), which indicates the change of 100 % in revenue of tourism that is because of(0.37) % change in Unemployment in a negative return. R-squared is (0.042292), that saying (4.2 %) changes in Unemployment is from tourism factor. There is (2.676) value of intercept which is a constant value in every movement of these variables.

As you can see in the table above, the poverty rate in India has always been decreasing. India's growth and unemployment have been instrumental in reducing poverty in India.

Table 6- Poverty rate in India

Year	Rural	Urban	Total	Decrease
1993 – 94	50.1	31.8	45.3	
2004 – 05	41.8	25.7	37.2	8.1
2009 – 10	33.8	20.9	29.8	7.4
2011 – 12	25.7	13.7	21.9	7.9
2012-2018	4.3	3.8	4.05	17.85

Source: world bank

Tourism is a large industry in the world currently exists or plays an important role in most of poor or developing countries. The special features of tourism improve its talent for supporting the poor. These may include: the need for participation and workshops, the inclusion of informal sector and women the in its widespread employment, the centralization of the poor's natural and cultural assets, and the relevance of the poor.

5. Conclusion

Tourism as one of the largest industries in the globalization area currently exists or plays an important role in most of the poor or developing countries. The special features of tourism improve its talent for supporting the poor. These may include: the need for participation and workshops, the embodiment of women and the informal industry in its widespread employment, the centralization of the poor's natural and cultural assets, and the relevance of the poor. Recruiting ocean tourism in the context of the growth of poor-class support programs means investing in these areas while reducing the impacts of negative. By modifying oceanic tourism industry, there is the potential that this industry has already increased direct benefits to the poor.

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It is possible to do this by adopting and applying specific strategies. Case studies show that oceanic tourism strategies for the poor can make a difference in tourism, thereby bringing new opportunities and benefits for the poor. Another dimension of tourism's effects is indirectly through reduced unemployment and increased economic growth. As we have seen, tourism boosts economic growth and in turn increases per capita income and thus reduces poverty (assuming equitable distribution of income). In regards, after examining and determining the existence of the relationship is positive b/w variables in period 2000–2018between (economic growth and tourism), and negative relationship b/w (unemployment and tourism) via estimation of regression equation and Ordinary Least Squares model.

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