

Till Albrecht Müller

Local Economic Development Impacts of International Backpacker Tourism to Third World Destinations

*Evidence from a Traveller Enclave in
India's Andaman Archipelago*

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Abbreviations used

A&NI	Andaman and Nicobar Islands
DC	Developing Country
DTP	Draft Tourism Policy
IMF	International Monetary Fund
FTA's	Foreign Tourist Arrivals
UNDP	United Nations Development Program
NIC	Newly Industrialized Countries
UNO	United Nations Organisation
GDP	Gross Domestic Product
HDI	Human Development Index
CIA	Central Intelligence Agency
WTO	World Tourism Organisation
IT	Information Technology
MICE	Meetings and Incentives
PVC	Polyvinyl Chloride
OECD	Organisation for Economic Cooperation and Development

1. Introduction

In the past two decades backpacker tourism has grown vastly throughout both developed and developing world. Particularly to south and Southeast Asian countries the phenomenon of backpacking is not new, so to India, where it dates back to the 60's and 70's hippy drifters, to which backpacking is often associated. It has been since the publication of the Lonely Planet's "Yellow Bible" ("Southeast Asia on a Shoestring") in 1975 that backpacking has gradually emerged as a mass travel style. Today popular travel-yourself literature cover almost every corner of the globe, serving a steady demand for 'off the beaten path' travel. Thereby to backpackers the developmental background of a destination plays a lesser role than to the mainstream tourist, who is demanding certain infrastructural arrangements. As a result backpackers are found in utmost remote and low developed locations that other tourists never reach. Thus backpacker enclaves have emerged in many places throughout the world, and not without effects on their hosting environments. While social impacts often carry negative connotations, hosting communities do usually appreciate backpackers for their economic contributions.

1.1 Objectives and Scope

In recent years backpacker tourism has profoundly been studied in developed contexts, particularly Australia and New Zealand are to be seen the pioneering regions of independent travel research, having undertaken strenuous efforts to study the same within the past two decades. As a consequence both destinations have recognized the economic value of low budget travel to their countries and established backpacker tourism as high yielding segments within their national tourism markets. In both countries backpacking has since undergone shift from de-marketing to a marketing label.

Though in recent years international research has made numerous successful attempts to study backpacker tourism in less developed contexts, many tourism officials in third world destinations as yet refuse to accept the economic reach coming along with low-budget travel. Instead a majority of administrative instances promote upscale- and regulated forms of tourism to be the way forward, neglecting any concerns with regard to necessary infrastructure or initial investments. Though only a fraction of developing nations do actively restrict independent travel to their territories (e.g. Maldives, Bhutan), a majority at best tacitly

ignores the phenomenon. Other cases have proven forceful discouragement from local authorities and government bodies. India is an example, though having a long tradition as a backpacker destination and as yet well reputed among international travellers, there are strong indications that tourism planners and authorities follow the common misbelief that low budget equals low revenue tourism and begin displacing backpacker tourism, in particular from designated tourism priority zones.

At this point the present paper starts to assume relevance.

It aims at proving the economic significance of international backpacker tourism in a third world context, particularly the economic development impacts coming along with this form of travel. Beside setting up an explorative backpacker profile of independent travellers in India it examines the case of a remote Indian traveller enclave including the local and regional economic developments directly and indirectly resulting from budget travel.

Basing on empirical research firstly a backpacker profile is being created, providing fundamental quantitative data on travellers in India and the study area itself. A second aim of this paper is to place the backpacker in India into an international context and identify similarities and differences to his counterpart in other regions of the world. Furthermore it follows the question of the existence of different types of backpackers in India. Hence, survey findings are being contrasted with data from other, international backpacker markets, as well as theoretic defining and distinction criteria. The identification of parallels farther allows an application of economic development criteria from other destinations onto the Indian context. The section therewith sheds light onto the demand side of India's contemporary budget travel market.

A qualitative approach has been chosen to run down on backpacker economic development impacts on Havelock in the Andaman Islands, representing the study area of this paper. Substantiated by data from the backpacker profile this second section portrays the case of a remote islands enclave, and how backpacker tourism impacts on its local economy. Again findings are being contrasted with a number of theoretic criteria, in order to emphasize their significance to the region. Farther the evolutionary path of backpacker enclaves is being followed and the question whether or not independent travel spearheads organized forms of tourism. This section particularly approaches the supply side of independent travel in India and the area of focus. Finally the paper aims at identifying factors for success of backpacker travel in India and the Andaman Islands.

1.2 Structure

The paper divides into two major sections, the first providing theoretic context criteria (Chapters One to Five), the second presenting the study results (Chapters Six to Nine).

Theoretical Context

After an overall introduction in Chapter One the **Second Chapter** introduces to the context of developing countries, and to India as the destination of central focus. Subsequently the Andaman Islands are being introduced, as is Havelock Island, the survey area of this paper.

The **Third Chapter** provides the theoretic context with regard to backpacker travel. The backpacker himself is discussed in theory, examining defining criteria and varying approaches to sub classification. It provides a basis for the subsequent discussion of survey results in Chapter Six.

The **Fourth Chapter** provides the theoretic background with regard to the backpacker destination. The term ‘backpacker enclave’ is introduced and its various types being paid attention. The evolutionary path of backpacker enclaves is taken into focus as well as various factors impacting on the same. Chapter Four shall provide the context for the subsequent discussion of Havelock’s current developmental status in Chapter Eight.

Chapter Five takes into focus theoretic aspects of economic development impacts that come along with budget travel. It presents a set of specific criteria that form a basis for discussing the current situation in the study area as part of Chapter Seven.

Study Results

Findings from the quantitative survey (backpacker profile) are presented in **Chapter Six**. It provides details on the methodology used, comprises comparison and discussion of results and contrasts findings to theoretic defining criteria examined in Chapter Three.

The **Seventh Chapter** presents and discusses local economic development impacts on Havelock, as found through qualitative research and substantiated by quantitative data. It gives a temporal review on backpacker tourism development on Havelock Island, portrays the present situation and presents the case of a local family involved in the budget tourism sector. Finally findings are contrasted with theoretic criteria outlined in Chapter Five.

Chapter Eight discusses Havelock's developmental status, evolution and type as a backpacker enclave and tourist destination. It falls back on theoretic defining criteria from Chapter Four. Apart from that the question of the backpacker's pioneering function in opening up new destinations is being discussed.

Chapter Nine outlines the success factors of backpacker development in the destination with a separate focus on India and the Andaman Islands.

Chapter Ten concludes the study findings and gives recommendations for policy makers and future researchers on the issue of backpacking in India.

1.3 Overall Methodology

This paper is basing on a methodological mix, combining primary and secondary literature research with qualitative and quantitative survey techniques.

In order to create a theoretical context to which subsequently relate qualitative and quantitative study findings the first major section of this paper bases on intense literature research from both print media and online contents. Literature research has farther been used as a tool to define exact analytic goals of the subsequent field survey, and to develop an applicable field survey instrument. At any time it has been in the focus to gain information from literature that would later support the analysis and evaluation of field survey findings.

The second section of this paper bases on combining quantitative and qualitative research methods, and focuses on presenting the same in order to subsequently give answer to the paper's overall scientific question. The quantitative part comprises a questionnaire survey conducted among backpacking travellers in an Indian enclave. Therewith the issue of independent travel in India is being approached from a demand side. Basing on onsite pre-evaluation of quantitative data a series of qualitative in depth interviews were held with local tourism entrepreneurs. In other cases, where formal interviews seemed inappropriate, informal interviews were held with stakeholders. Therewith the supply side of independent tourism was taken into focus of research. Both qualitative and quantitative research methodologies are examined in detail prior to presentation of study findings, respectively.

In the first sections (Theoretical Context, Chapters 3-5) it seemed inevitable to fall back on research findings from other parts of the world, as backpacker theoretic data was found inexistent specifically for India. Therefore, and as fundamental defining criteria for backpacker travel have particularly been brought up as part of pioneering surveys from Oceania, those sections refer to data from earlier studies conducted in Australia and New Zealand (Riley, 1988; Pearce 1990; Ateljevic and Doorne, 2000). Study results, in particular discussive and comparative parts of the quantitative survey's findings (backpacker profile), fall back on rather recent, trans-national backpacker surveys (cf. Chapter 6).

Introductory remarks on the terminology used

To avoid terminological misinterpretation it seems inevitable to elucidate the use of terminology used when referring to the backpacker: In this paper the term 'Backpacker' is put on a level with a number of synonyms, such as 'Traveller', 'Budget Traveller', 'Independent Traveller' or 'Individual Traveller'. Some defining criteria may farther necessitate the use of the term 'Long Term Budget Traveller'. Combinations are also possible. Accordingly terms like. 'Independent Budget Traveller', 'International Backpacker' or 'Budget tourist' will appear. However, at any times the terminology describes the same phenomenon. In very few cases the term 'tourist' is used to describe backpackers, though to avoid confusion this is pointed out specifically.

To describe tourist types and travel styles divergent to contemporary backpacking terms like 'Vacationist', 'Holiday Maker', 'Ordinary Tourist' or 'Package Tourist' or 'domestic tourist' are commonly used, depending on the context.

2. Introduction to the Destination

2.1 Destination India

2.1.1 India's developmental situation

According to the United Nations Organisation (UNO) India is ranking as a developing nation. UNO states that developing countries commonly show the following characteristics:

- DC have low standards of democratic governments, industrialization, social programs, and human rights guarantees for its citizens
- DC are countries that have not achieved a significant degree of industrialization relative to their populations, and which have, in most cases a medium to low standard of living. There is a strong correlation between low income and high population growth.

Though a universal definition does not exist the development status of a country is commonly measured along the United Nation Development Program's (UNDP) compound Human Development Index (HDI), which combines normalized measures of life expectancy, literacy, educational attainment, and GDP per capita. Following that approach allows sub-categorization into Least Developed Countries and Newly Industrialized Countries (NIC). The latter are defined countries that have outpaced other developing nations with their booming economies, though remaining on developing level in many social and environmental aspects. According to that India qualifies as a NIC alongside with, Brazil, South Africa, Mexico, China, Malaysia, the Philippines, Thailand and Turkey. Other sources addressing the same problem refer to India as a Big Emerging Market.

Sources: IMF, 2008; Wikipedia, 2009a;b;c