

Tourism and its Impact on Indian Economy

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ABSTRACT:-Tourism is the collection of activities, services and industries that delivers a travel experience, including transportation, accommodation, eating and drinking establishments, retail shops, entertainment business and other hospitality services provided for individuals or groups travelling away from home. In India, the growth of the tourism industry has a multiplier effect in the economic development of the country. Tourism not only adds to the country's GDP, but also generates a lot of employment and helps seeing the citizens living mirthfully. Therefore, tourism sector can be instrumental for the sustainable development of national wealth. It has the potential to stimulate other economic sectors through its backward and forward linkages and cross-sectoral synergies with sectors like agriculture, horticulture, poultry, handicrafts, transport, construction, floriculture etc. Tourism has been making a revolutionary and significant impact on the world economic scenario. It has become the fastest growing service industry in the country with great potentials for its further expansion and diversification, it has direct and indirect chain link with several sector of an economy. Tourism has both positive and negative far reaching impact on economic, social, political and environment face of India.

Key Word: *Economic Development, Employment, Environment, Tourism.*

I. INTRODUCTION

Tourism is a most desirable human activity; which is capable of changing the socio-cultural, economic and environmental face of the World. Tourism is one of the largest and fast growing industries in the world; it has the potential to influence the living pattern of communities. It is one of the most important channels of cultural exchange which breaks down the barriers between people of different parts of the world. It is the collection of activities, services and industries that deliver a travel experience including transportation, accommodation, eating and drinking, establishments of retail shops, entertainment, business and other hospitality services provided for individuals or groups of travelling away from home.

Tourism has emerged as a key sector of the world economy and has become a major workforce in global trade. It has been making a revolutionary and significant impact on the world economic scenario. Tourism has been identified as the major export industry in the world. The multifaceted nature of this industry makes it a catalyst to economic development and helps balanced regional development. It is a low capital, labour intensive industry with economic multiplier and offers opportunity to earn foreign exchange at low social cost. Tourism industry acts as a powerful agent of both economic and social changes. It stimulates employment and investment, alters structure of an economy, significant contribution toward foreign exchange earnings and maintaining favorable balance of payment. The money spent by the tourist in a country is turned over several times in the process; the total income earned from tourism is a number of times more than actual spending. The multiplier effect of tourism receipts is completely recognized as spreading to secondary and tertiary sectors of an economy. Tourism consist economic, social, cultural, educational and political significance. Marketing and promotion are of vital importance in tourism sector due to the competitiveness of tourism industry both within and between tourism generating nation. Tourism sector creates direct, indirect and induced employment. It produces a vast spectrum of employment from highly qualified and trained mangers of star hotels to room boys, sales girls and artisans. With its faster growth new horizons of employment open up for youth of the developing countries.

Tourism in India has a strong relevance to economic development, cultural growth and national integration. India is a vast country of great beauty and diversity and her tourist potential is equally vast. With her rich cultural heritage as superbly manifest in many of the architectural wonders palaces, temples, mosques,

forts, caves and prehistoric wall paintings, her widely varied topography ranging from the monotonous plains to the loftiest mountains of the world, her large climatic variations ranging from some of the wettest and the driest as well as from the hottest and the coldest parts of the world, beautiful long beaches on the sea coast, vast stretches of sands, gregarious tropical forests and above all, the great variety of the life-style, India offers an unending choice for the tourist.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. The third-largest sub-segment of the services sector comprising trade, repair services, hotels and restaurants contributed nearly US\$ 187.9 billion or 12.5 per cent to the Gross Domestic Product (GDP) in 2014-15, while growing the fastest at 11.7 per cent Compound Annual Growth Rate (CAGR) over the period 2011-12 to 2014-15. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers. India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index.

In developing countries like India tourism has become one of the major sectors of the economy, contributing to a large proportion of the National Income and generating huge employment opportunities. It has become the fastest growing service industry in the country with great potentials for its further expansion and diversification, it has direct and indirect chain link with several sector on an economy. Therefore tourism has both positive and negative far reaching impact on economic, social, political and environment face of India.

II. POSITIVE IMPACTS

Creating Income and Employment: Tourism in India has emerged as an instrument of income and employment generation, poverty alleviation and sustainable human development. It contributes 6.23% to the national GDP and 8.78% of the total employment in India. Almost 20 million people are now working in the India's tourism industry.

Source of Foreign Exchange Earnings: Tourism is an important source of foreign exchange earnings in India. This has favourable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.

Preservation of National Heritage and Environment: Tourism helps preserve several places which are of historical importance by declaring them as heritage sites. For instance, the Taj Mahal, the Quota Minar, Ajanta and Ellora temples, etc, would have been decayed and destroyed had it not been for the efforts taken by Tourism Department to preserve them. Likewise, tourism also helps in conserving the natural habitats of many endangered species.

Developing Infrastructure: Tourism tends to encourage the development of multiple-use infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centres, in addition to the hotels and high-end restaurants that cater to foreign visitors. The development of infrastructure has in turn induced the development of other directly productive activities.

Promoting Peace and Stability: Honey and Gilpin (2009) suggests that the tourism industry can also help promote peace and stability in developing country like India by providing jobs, generating income, diversifying the economy, protecting the environment, and promoting cross-cultural awareness. However, key challenges like adoption of regulatory frameworks, mechanisms to reduce crime and corruption, etc, must be addressed if peace-enhancing benefits from this industry are to be realized.

III. NEGATIVE IMPACTS

Undesirable Social and Cultural Change: Tourism sometimes led to the destruction of the social fabric of a community. The more tourists coming into a place, the more the perceived risk of that place losing its identity. A good example is Goa. From the late 60's to the early 80's when the Hippy culture was at its height, Goa was a haven for such hippies. Here they came in thousands and changed the whole culture of the state leading to a rise in the use of drugs, prostitution and human trafficking. This had a ripple effect on the country.

Increase Tension and Hostility: Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other's culture and way of life. This may further lead to violence and other crimes committed against the tourists. The recent crime committed against Russian tourist in Goa is a case in point.

Creating a Sense of Antipathy: Tourism brought little benefit to the local community. In most *all-inclusive package tours* more than 80% of travellers' fees go to the airlines, hotels and other international companies, not to local businessmen and workers. Moreover, large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions, preventing local farmers and workers from reaping the benefit of their presence. This has often created a sense of antipathy towards the tourists and the government.

Adverse Effects on Environment and Ecology: One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality. Increased transport and construction activities led to large scale deforestation and destabilisation of natural landforms, while increased tourist flow led to increase in solid waste dumping as well as depletion of water and fuel resources. Flow of tourists to ecologically sensitive areas resulted in destruction of rare and endangered species due to trampling, killing, disturbance of breeding habitats. Noise pollution from vehicles and public address systems, water pollution, vehicular emissions, untreated sewage, etc. also have direct effects on bio-diversity, ambient environment and general profile of tourist spots.

IV. ENVIRONMENTAL IMPACT OF TOURISM IN INDIA

The tourism industry in India can have several positive and negative impacts on the environment which are discuss below.

POSITIVE IMPACTS

Direct Financial Contributions: Tourism can contribute directly to the conservation of sensitive areas and habitat. Revenue from park, entrance fees and similar sources can be allocated specifically to pay for the protection and management of environmentally sensitive areas. Special fees for park operations or conservation activities can be collected from tourists or tour operators.

Contributions to Government Revenues: The Indian government through the tourism department also collect money in more far-reaching and indirect ways that are not linked to specific parks or conservation areas. User fees, income taxes, taxes on sales or rental of recreation equipment, and license fees for activities such as rafting and fishing can provide governments with the funds needed to manage natural resources. Such funds can be used for overall conservation programs and activities, such as park ranger salaries and park maintenance.

Improved Environmental Management and Planning: Sound environmental management of tourism facilities and especially hotels can increase the benefits to natural environment. By planning early for tourism development, damaging and expensive mistakes can be prevented, avoiding the gradual deterioration of environmental assets significant to tourism. The development of tourism has moved the Indian government towards this direction leading to improved environmental management.

Raising Environmental Awareness: Tourism has the potential to increase public appreciation of the environment and to spread awareness of environmental problems when it brings people into closer contact with nature and the environment. This confrontation heightens awareness of the value of nature among the community and lead to environmentally conscious behaviour and activities to preserve the environment.

Protection and Preservation of Environment: Tourism can significantly contribute to environmental protection, conservation and restoration of biological diversity and sustainable use of natural resources. Because of their attractiveness, pristine sites and natural areas are identified as valuable and the need to keep the attraction alive can lead to creation of national parks and wildlife parks.

In India, new laws and regulations have been enacted to preserve the forest and to protect native species. The coral reefs around the coastal areas and the marine life that depend on them for survival are also protected.

V. NEGATIVE IMPACTS

I. Depletion of Natural Resources:

Tourism development can put pressure on natural resources when it increases consumption in areas where resources are already scarce.

❖ **Water resources:** Water, especially fresh water, is one of the most critical natural resources. The tourism industry generally overuses water resources for hotels, swimming pools, golf courses and personal use of water by tourists. This can result in water shortages and degradation of water supplies, as well as generating a greater volume of waste water. In dryer regions like Rajasthan, the issue of water scarcity is of particular concern.

❖ **Local resources:** Tourism can create great pressure on local resources like energy, food, and other raw materials that may already be in short supply. Greater extraction and transport of these resources exacerbates the physical impacts associated with their exploitation. Because of the seasonal character of the industry, many destinations have ten times more inhabitants in the high season as in the low season. A high demand is placed upon these resources to meet the high expectations tourists often have (proper heating, hot water, etc.).

❖ **Land degradation:** Important land resources include minerals, fossil fuels, fertile soil, forests, wetland and wildlife. Increased construction of tourism and recreational facilities has increased the pressure on these resources and on scenic landscapes. Direct impact on natural resources, both renewable and non-renewable, in the provision of tourist facilities is caused by the use of land for accommodation and other infrastructure provision, and the use of building materials. Forests often suffer negative impacts of tourism in the form of deforestation caused by fuel wood collection and land clearing e.g. the trekking in the Himalayan region, Sikkim and Assam.

II. POLLUTION:

Tourism can cause the same forms of pollution as any other industry: air emissions, noise, solid waste and littering, releases of sewage, oil and chemicals, even architectural/visual pollution.

✚ **Air and Noise Pollution:** Transport by air, road, and rail is continuously increasing in response to the rising number of tourist activities in India. Transport emissions and emissions from energy production and use are linked to acid rain, global warming and photochemical pollution. Air pollution from tourist transportation has impacts on the global level, especially from carbon dioxide (CO₂) emissions related to transportation energy use. And it can contribute to severe local air pollution. Some of these impacts are quite specific to tourist activities where the sites are in remote areas like Ajanta and Ellora temples. For example, tour buses often leave their motors running for hours while the tourists go out for an excursion because they want to return to a comfortably air-conditioned bus.

Noise pollution: Noise pollution from airplanes, cars, and buses, as well as recreational vehicles is an ever-growing problem of modern life. In addition to causing annoyance, stress, and even hearing loss for humans, it causes distress to wildlife, especially in sensitive areas.

Solid waste and littering: In areas with high concentrations of tourist activities and appealing natural attractions, waste disposal is a serious problem and improper disposal can be a major despoiler of the natural environment - rivers, scenic areas, and roadsides. In mountain areas of the Himalayas and Darjeeling, trekking tourists generate a great deal of waste. Tourists on expedition leave behind their garbage, oxygen cylinders and even camping equipment. Such practices degrade the environment particularly in remote areas because they have few garbage collection or disposal facilities.

Sewage: Construction of hotels, recreation and other facilities often leads to increased sewage pollution. Wastewater has polluted seas and lakes surrounding tourist attractions, damaging the flora and fauna. Sewage runoff causes serious damage to coral reefs because it stimulates the growth of algae, which cover the filter-feeding corals, hindering their ability to survive. Changes in salinity and siltation can have wide-ranging impacts on coastal environments. And sewage pollution can threaten the health of humans and animals. Examples of such pollution can be seen in the coastal states of Goa, Kerala, Maharashtra, Tamil Nadu, etc.

III. DESTRUCTION AND ALTERATION OF ECOSYSTEM:

An ecosystem is a geographic area including all the living organisms (people, plants, animals, and micro-organisms), their physical surroundings (such as soil, water, and air), and the natural cycles that sustain them. Attractive landscape sites, such as sandy beaches in Goa, Maharashtra, Kerala, Tamil Nadu; lakes, riversides, and mountain tops and slopes, are often transitional zones, characterized by species-rich ecosystems. The threats to and pressures on these ecosystems are often severe because such places are very attractive to both tourists and developers. Examples may be cited from Krushedei Island near Rameswaram. What was once called paradise for marine biologists has been abandoned due to massive destruction of coral and other marine life. Another area of concern which emerged at Jaisalmer is regarding the deterioration of the desert ecology due to increased tourist activities in the desert.

Moreover, habitat can be degraded by tourism leisure activities. For example, wildlife viewing can bring about stress for the animals and alter their natural behaviour when tourists come too close. Safaris and wildlife watching activities have a degrading effect on habitat as they often are accompanied by the noise and commotion created by tourists

IV. CONCLUSION

Tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange. Eco-tourism needs to be promoted so that tourism in India helps in preserving and sustaining the diversity of the India's natural and cultural environments. Tourism in India should be developed in such a way that it accommodates and entertains visitors in a way that is minimally intrusive or destructive to the environment and sustains & supports the native cultures in the locations it is operating in. Moreover, since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourism industry.

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