

An Analytical Study on Impact of Tourism on Economic Development of Chhattisgarh

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Abstract

Tourism is the fastest growing industries. It is also one of the biggest employment generating industries in India. With the tremendous socio economic potentialities the tourism industry is considered to be an economic bonanza. The dynamic and growth oriented Government of Chhattisgarh is determined to develop tourism as a key industry to make it an important contributor to the state's economic and social growth and to offer a right blend of business and pleasure. This paper studies the role of tourism industry of Chhattisgarh in the economic growth of the state and for this purpose the research objectives are to analyze the structural changes in tourism industry in Chhattisgarh State, to examine the development in tourism industry in Chhattisgarh State and to understand the impact of tourism industry of Chhattisgarh in economic growth of the state. It is found during the research that, growth of tourism industry and the growth of Chhattisgarh state economy are being hand to hand.

Keywords: Tourism, Income, Economic Development, etc.

Introduction

The concept of tourism was originated from Sanskrit literature in India. It has given us three terms derived from the root word "Atana" which means going out and accordingly we have the terms; Tirthatana it means going out and visiting places of religious, Paryatana it means going out for pleasure and knowledge, Deshatana it means going out of the country primarily for economic gains. In simple terms Tourism as an act of travel of the purposes of leisure, pleasure or business, and provision of services for the Act.

Tourism has today achieved the status of an industry and has become more than a cultural pilgrimage. Tourism is the fastest growing industries. It is also one of the biggest employment generating industries in India. With the tremendous socio economic potentialities the tourism industry is considered to be an economic bonanza. The generation of income, expansion of opportunities, mobilization of foreign exchange, socio- integration, cultural, transmission and commercialization of a particular place or region are some of the key outputs of tourism, which is contribution a lot to the process of socio- economic transformation.

Also tourism can be considered as a potential force for making possible a world peace through mutual appreciation and international understanding. It is against the background that, this industry requires managerial proficiency professionalism and to be more specific the innovative marketing practices. There are different dimension like picnic tourism, ethnic tourism, region

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tourism, medical tourism, etc. Tourism is an integrated effort of satisfy tourists, a sensitive device to transform. The potential tourists into actual tourists, it is a strong approach to make possible harmony between the interest of society and tourists organization an innovative approach to strengthen the base for the development of tourism to attain organizational effectiveness.

Significance of the study

Tourism has emerged as a dominant economic factor in India and in international horizon. With its monetary and all other benefits, tourism can definitely play a decisive role in the growth of inferior economies which suffer from an opposing balance of payment situation, a high degree of communal backwardness, besides the other ecological problems. However, to achieve success in tourism, India needs to adopt planning and management approach on scientific lines. Luckily, tourism planning and development is now progressively appearing the attention of researchers from diverse disciplines ranging from geography, history, sociology, economics, commerce management and environmental sciences. Since each state in the country represents its own geo socio- cultural identity, it therefore, asks specific tourism development plans and act supposed within authority of an overall tourism prospective for the country.

Akin the most other states of India Chhattisgarh enjoy a wide variety of tourism resources. Given the availability of natural resources and travel friendly native population, it is imperative boost tourism growth to develop Chhattisgarh as a world class destination.

The dynamic and growth oriented Government of Chhattisgarh is determined to develop tourism as a key industry to make it an important contributor to the state's economic and social growth and to offer a right blend of business and pleasure. This will be achieved by active participation of private, national, and international corporate bodies to bring in their expertise and investment with supportive government policies and facilitation climate for the industry to grow. Hence this study focuses on the impact of tourism industry in economic development of Chhattisgarh state.

About Chhattisgarh

Chhattisgarh is in central part of India and was part of erstwhile Madhya Pradesh. It was recognized as a separate state in the year 2000 with Raipur as its capital city. The state shares her borders with Madhya Pradesh, Maharashtra, Andhra Pradesh, Odisha, Jharkhand and Uttar Pradesh. Blessed with abundance of nature, wildlife arts, culture, handicraft and a plethora of resources; its virgin beauty is still untouched and unexplored by the common man thus the land being a sure treat to visitors and tourists.

Popularly known as the rice bowl of India the state is famous for its rich mineral deposits, unexplored tourist circuits, dense forest cover with rich biodiversity habitat covering 80% of the state. It can boast of having 3 national parks, 11 wild life sanctuaries and 30 plus significant waterfalls and abundant caves.

Literature Review

“Impact of globalization on Indian economy” (2020) by P. Raja lingam, it critically analyzes the new developments and repercussions in the area of globalization. With special reference to agriculture industry and service sectors, this book mainly focused on recent developments of the agriculture industry and service sectors. The globalization and recent financial crises has influenced the Indian economy both positively and negatively.

Jaysheela & Hans, observes in their research in 2018, in age of information and globalization continue to drive changes in the way consumer do business with company in hospitality industry consumer in tourism away from home demand and seek assurances of quality in terms of accommodation, transport, food, experiences to match their wallets and physical capabilities.

N. Srihari (2020) in his paper “Tourism Development” concluded that India is one of the cheapest destinations and has a lot to offer like natural beauty, adventure sports, indigenous culture and many more. Tourism has been recognized as a core sector of Indian economy and the government is taking all initiatives to develop the sector. The tourism sector in India is making a major contribution in the growth of national economy and this sector recorded a double digit growth in the number of foreign tourist arrivals and foreign exchange earnings in the recent past. The future growth of tourism should be achieved with complete public-private collaboration initiatives in all segments of tourism. The state and central governments can contribute to tourism by planning broad strategies of development, provision of fiscal and monetary incentives to catalyze private sector investments and by devising effective regulatory and supervisory mechanisms to protect the interests of the industry and the tourist public.

Research Methodology

Research Design: In the present research descriptive research design has been used to describe the impact of tourism on economic development of Chhattisgarh state.

Objective of the research:

- a. To analyze the structural changes in tourism industry in Chhattisgarh State.
- b. To examine the development in tourism industry in Chhattisgarh State.
- c. To understand the impact of tourism industry in economic development of Chhattisgarh state.

Data Collection: The study is based on secondary data provided by tourism department of Chhattisgarh state. The time series data of income and expenditure have been collected from department’s database, from the period of 2015-2019.

Data Analysis

Tourism is an economic activity of importance to national and state level development. The charging era and dimensions of tourism Chhattisgarh State has shown a significant bearing in the overall development of economy. Since post globalization period number of tourist visit to India has a multiplier effect, which in turn has resulted in increasing trend of foreign exchange earnings. Chhattisgarh is recognized as one of the most diverse state in India. The state is being recognized as one of the most developing state in terms of industrial development, and also for fetching maximum tourist.

**Table 1.1 Growth in total number of tourists visiting the state
(fig. in lakhs)**

| Type of Tourist | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------|------|------|------|------|------|
| Domestic | 7.38 | 7.72 | 8.39 | 8.96 | 9.32 |
| International | 0.03 | 0.04 | 0.04 | 0.05 | 0.06 |
| Total | 7.41 | 7.76 | 8.43 | 9.01 | 9.38 |

Source: India Tourism Statistics, Ministry of Tourism, New Delhi

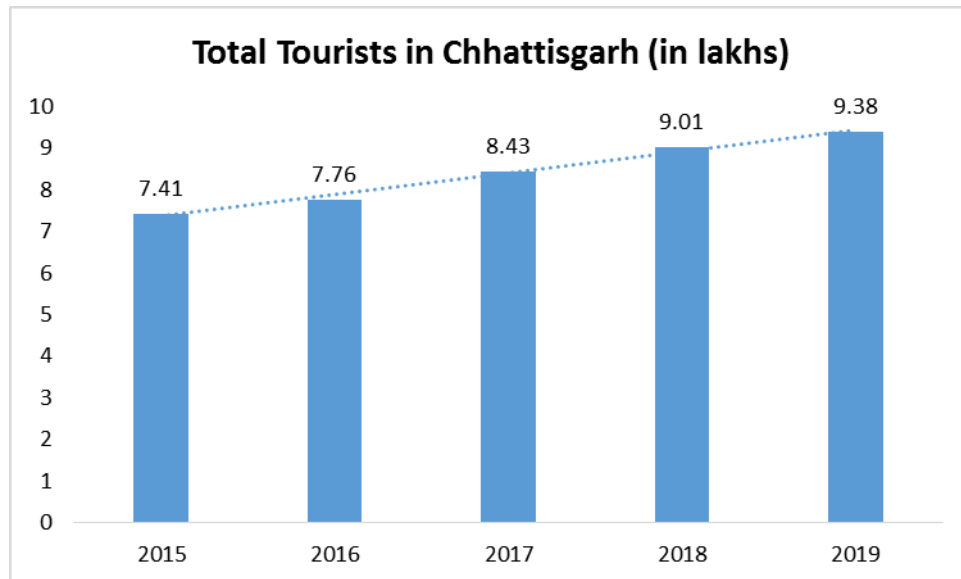
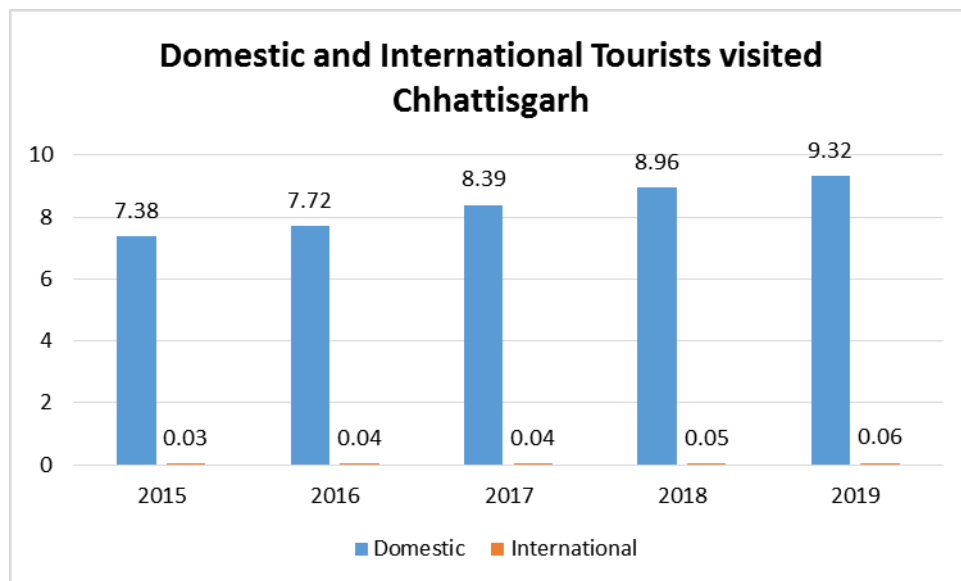


Fig. 1.1 Total Tourists in Chhattisgarh



From the above table and figure it is found that there is stable growth in number of tourists in Chhattisgarh during 2015-2019. In 2015 number of tourists visited were 7.41 lakhs which included 7.38 lakhs domestic tourists and 0.03 lakhs international tourists. In 2016 the total number of tourists was found to be 7.76 lakhs which includes domestic 7.72 lakhs and international 0.04 lakhs. The total number of tourists visiting Chhattisgarh reached 8.43 lakhs including 8.39 lakhs domestic and 0.04 lakhs international, this number increased to 9.01 lakhs in the year 2018 and in the year 2019 the figure reached 9.38 lakhs including 9.32 lakhs domestic tourists and 0.06 lakh international tourists. The above figure show that the total number of tourists visiting the state majorly belong to domestic tourist category. Hence there is need to promote the tourism to international community as well in order to earn the valuable foreign currency for the increasing the economic development of the state.

Table 1.2 Determinant of Growth of tourism in Chhattisgarh (Rupees)

| Particulars | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------|-------------|--------------|--------------|--------------|--------------|
| Income (in Cr.) | 8,64,85,243 | 32,31,62,534 | 19,67,34,660 | 26,98,67,591 | 35,48,34,055 |
| Expenditure (in Cr.) | 7,61,41,209 | 9,17,05,157 | 14,39,31,662 | 22,13,70,204 | 17,93,66,354 |
| Profit (in lakhs.) | 96.37 | 1876.35 | 366.59 | 312.68 | 1406.58 |

Source: Annual report of Chhattisgarh tourism board

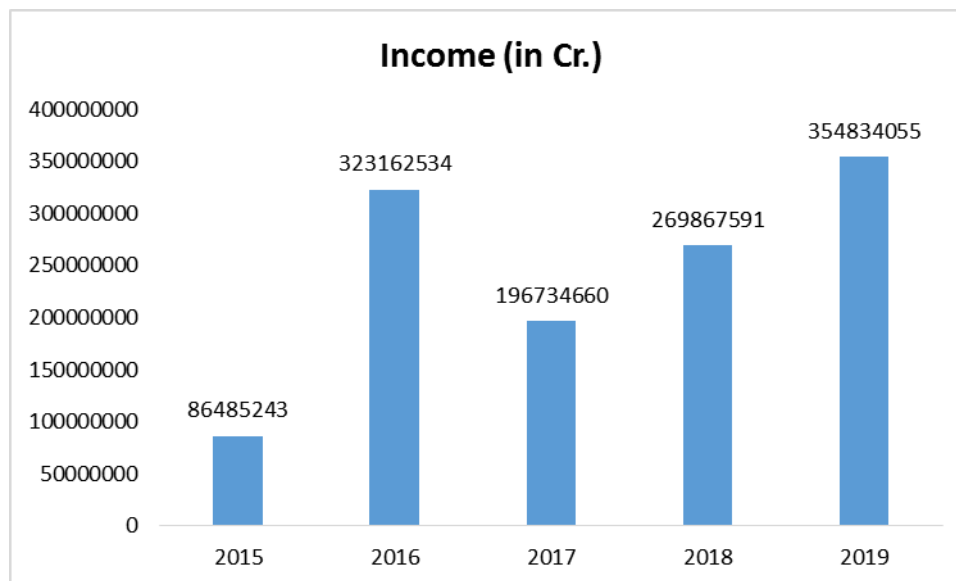


Fig. 1.3 Income from Tourism

The above fig. 1.3 reveal that the income generated by tourism department keeps increasing every year. In the year 2015 the total income was Rs. 8,64,85,243 crore which rose to Rs. 32,31,62,534 crore in the year 2016, but a decreasing trend was observed in the year 2017 of Rs. 19,67,34,660 crore. Since then the total income kept increasing and reached to Rs. 35,48,34,055 in the year 2019.

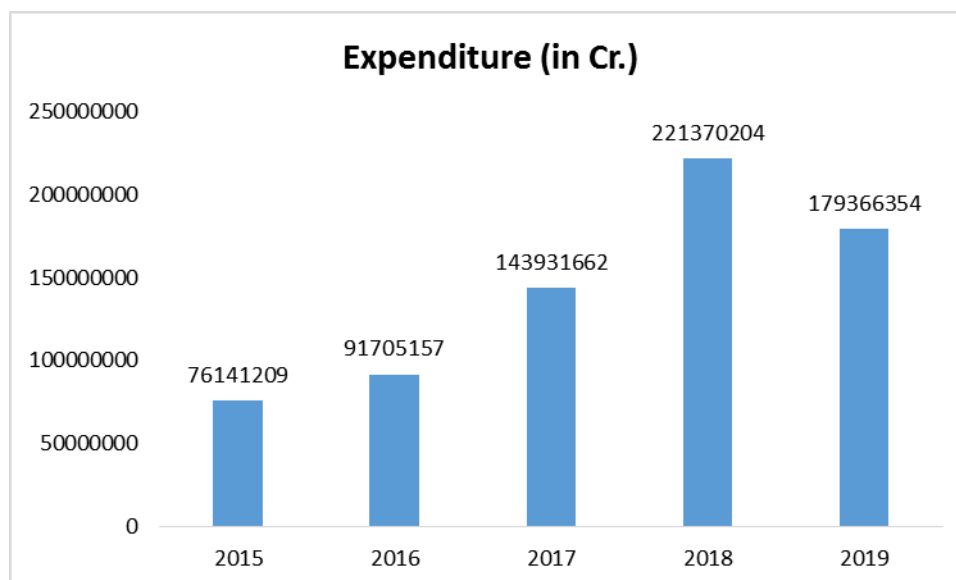


Fig. 1.4 Operating Expenditure on Tourism

Figure 1.4 shows the operating expenditure of tourism department of Chhattisgarh increases gradually from 2015-2019. In 2015 the expenditure were Rs. 7,61,41,209, which increases to Rs. 9,17,05,157 in 2016. In the year 2017 the expenditure reached to Rs. 14,39,31,662 and it made a highest spending in the year 2018 of Rs. 22,13,70,204 this includes expenditure on promotion of tourism also and then the operating expenses reached to Rs. 17,93,66,354 in the year 2019.

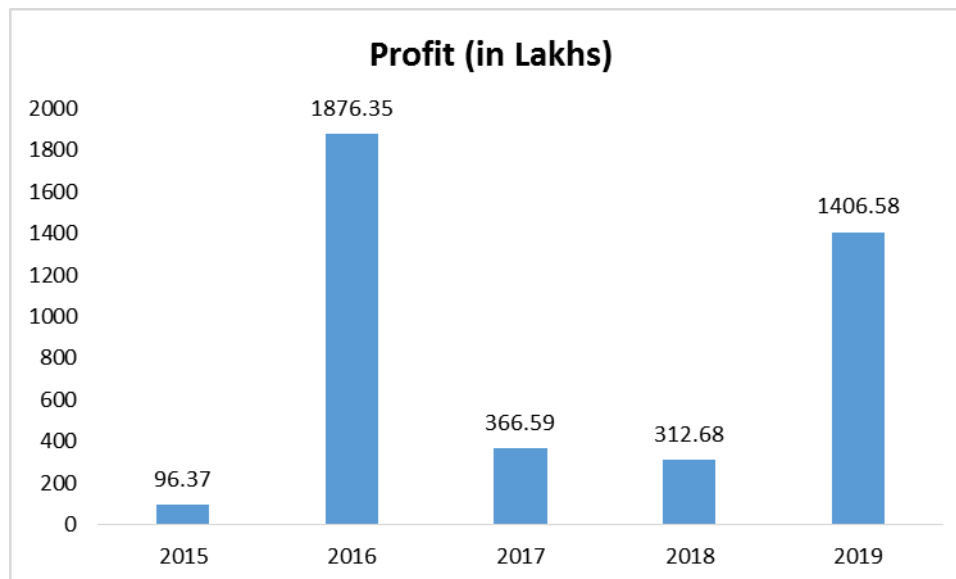


Fig. 1.5 Net Profit earned by Tourism department

Figure 1.5 shows the net profit earned by tourism department in from year 2015 – 2019. In the year 2015 the profit was just Rs. 96.37 lakhs, it reached to Rs. 1,876.35 lakhs in the year 2016 since income was high and expenses were less, and then it fell down to Rs. 366.59 lakhs in the year 2017 and remained Rs. 312.68 lakhs in the year 2018. However, 2019 showed the

increasing growth with profit of Rs. 1406.58 lakhs. This clearly shows that tourism department of the state is surely doing a great contribution in the overall economic development of the state.

Conclusion

It is being observed that growth of tourism industry and the growth of Chhattisgarh state economy are being hand to hand. Every day innovative and creative transformations in the industry are uplifting the level of industry. New policy framework will be enabling in the near future to make Chhattisgarh state distinguish tourism hub and state will have a remarkable stand in terms of tourism and tourist.

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