

An Evaluation of Economic Development Through Tourism Industries in Tiruchirappalli District

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Abstract

Tourism's importance, as an instrument for economic development and employment generation, particularly in remote and backward areas, has been well recognized the world over. It is the largest service industry globally in terms of gross revenue as well as foreign exchange earnings. Tourism can play an important and effective role in achieving the growth with equity objectives which India has set for itself. Tourism is one economic sector in India that has the potential to grow at a high rate and can make sure consequential development of the infrastructure of the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth.

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, etc. Expenditure on tourism induces a chain of transactions requiring supply of goods and services from these related sectors. The consumption demand, emanating from tourist expenditure, also induces more employment and generates a multiplier effect on the economy. As a result, additional income and employment opportunities are generated through such linkages. Thus, the growth of the tourism sector can lead to large scale employment generation and poverty alleviation. The present is an effort to evaluate the economic conditions of tourism dimensions.

Keywords: economic development, tourism growth, service sector, employment opportunity and so on.

Introduction

Tourism industry acts as a powerful agent of both economic and social change. It stimulates employment and investment, modifies economic structure and makes positive contributions towards balance of payments. The money spent by the foreign tourists in a country is turned over several times. In the process, the total income earned from tourism is a number of times more than the actual spending. The multiplier effect of tourism receipts is completely recognized as spreading to secondary and tertiary spheres of the economic activities of a nation. It encompasses economic, social cultural, educational and political significance. Marketing and promotion are of vital importance in tourism because of the competitive nature of the industry both within and between the generating countries. Tourism creates direct, indirect and induced employment. It produces a vast spectrum of employment form highly qualified and trained managers of five-star hotels to room boys, sales girls, and artisans. With its faster growth, new horizons of employment open up for the unemployed and underemployed youth of the developing countries.

Tourism has been a major social phenomenon of the societies all along. It is motivated by the natural urge of every human being for new experience, adventure, education and entertainment. The motivations for tourism also include social, religious and business interests. The increase of education has fostered a desire to know more about different parts of the globe. The basic human thirst for new experience and knowledge has become stronger, as communication barriers are getting overcome by technological advances. Progress in air transport and development of tourist facilities has encouraged people to venture out to the foreign lands.

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**Foreign tourist arrivals in India
(2013–2018)**

Year	Arrivals (millions)	% change
2012	6.58	4.3
2013	6.97	5.9
2014	7.68	10.2
2015	8.03	4.5
2016	8.80	9.7
2017	10.04	14.0
2018	10.55	5.2

Foreign tourist arrivals by source country

Source countries for foreign tourist arrivals in India in 2018

Rank	Country	Number	Share in %
1	Bangladesh	2,156,557	21.49
2	United States	1,376,919	13.72
3	United Kingdom	986,296	9.83
4	Canada	335,439	3.34
5	Australia	324,243	3.23
6	Malaysia	322,126	3.21
7	Sri Lanka	303,590	3.03
8	Russia	278,904	2.78
9	Germany	269,380	2.68
10	France	249,620	2.49
Total of top 10		6,603,074	65.80
Other countries		3,432,729	34.20
Grand total		10,035,803	100

Foreign and domestic tourist visits by State

Share of top 10 states/UTs of India in number of foreign tourist visits in 2018

Rank	State/Union Territory	Number	Share in %
1	Tamil Nadu	4,684,707	20.1
2	Maharashtra	4,408,916	18.9
3	Uttar Pradesh	3,104,062	13.3

4	Delhi	2,379,169	10.2
5	Rajasthan	1,489,500	6.4
6	West Bengal	1,475,311	6.3
7	Kerala	977,479	4.2
8	Bihar	923,737	4.0
9	Karnataka	636,502	2.7
10	Goa	541,480	2.3
Total of top 10 states		20,620,863	88.4
Others		2,705,300	11.6
Total		23,326,163	100

**Foreign exchange earnings from tourism in India
(2013–2018)**

Year	Earnings (US\$ million)	% change	Earnings (₹ crores)	% change
2012	17,737	7.1	94,487	21.8
2013	18,445	4.0	107,671	14
2014	20,236	9.7	123,320	14.5
2015	21,071	4.1	135,193	8.8
2016	22,923	9.1	154,146	14.3
2017	27,310	19.1	177,874	15.4

Share of top 10 states/UTs of India in number of domestic tourist visits in 2015

Rank	State/Union Territory	Number	Share in %
1	Tamil Nadu	333,459,047	23.3
2	Uttar Pradesh	204,888,457	14.3
3	Andhra Pradesh	121,591,054	8.5
4	Karnataka	119,863,942	8.4
5	Maharashtra	103,403,934	7.2
6	Telangana	94,516,316	6.6
7	Madhya Pradesh	77,975,738	5.4
8	West Bengal	70,193,450	4.9
9	Gujarat	36,288,463	2.5

10	Rajasthan	35,187,573	2.5
Total of top 10 states		1,197,367,974	83.6
Others		234,605,820	16.4
Total		1,431,973,794	100

Review of Literature

Lateef Ahmad Mir (2014) exposes the economic viability of the Indian tourism industry by employing secondary data taken from various national and international reports, journals, books, magazines and other pertinent literature of this discipline. The Indian tourism industry is playing an important role in economic development of many sectors of our economy by generating employment both for skilled and unskilled labour force, by improving living standard, particularly of remote rural areas, foreign exchange earnings, infrastructure development, and boosts the world famous Indian traditional Art and craft¹.

MandeepKaur ed. al (2012) studied the growth and development of Indian tourism industry. there research the growth and development of Indian tourism industry has been studied. For this purpose, data has been collected from secondary sources such as Bureau of Immigration, Ministry of Tourism, Govt. of India and World Travel and Tourism Council. To analyze the collected data, Compound Annual Growth Rate (CAGR) has been calculated. India witnessed more than 5 million annual foreign tourist arrivals and more than 740 million domestic tourist visits in the year 2011. it was suggested that the central and state government should take initiatives to develop tourism in India².

Importance of the study

Tourism's importance, as an instrument for economic development and employment generation, particularly in remote and backward areas, has been well recognized the world over. It is the largest service industry globally in terms of gross revenue as well as foreign exchange earnings. Tourism can play an important and effective role in achieving the growth with equity

¹Lateef Ahmad Mir (2014) International Journal of Scientific and Research Publications, Volume 4, Issue 12, pp.1-7. <http://www.ijsrp.org/research-paper-1214/ijsrp-p3692.pdf>

²MandeepKaur ed. al (2012) Journal of Hospitality Application & Research

objectives which India has set for itself. Tourism is one economic sector in India that has the potential to grow at a high rate and can make sure consequential development of the infrastructure of the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth.

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, etc. Expenditure on tourism induces a chain of transactions requiring supply of goods and services from these related sectors. The consumption demand, emanating from tourist expenditure, also induces more employment and generates a multiplier effect on the economy. As a result, additional income and employment opportunities are generated through such linkages. Thus, the growth of the tourism sector can lead to large scale employment generation and poverty alleviation. The present is an effort to evaluate the economic conditions of tourism dimensions.

Objectives of the study

The following objectives was framed for the present study

1. To evaluate the economic conditions of tourism dimensions in domestic and international level
2. To study the sectors need to improve the tourism industry in India
3. To give suitable suggestions to motivate the economic development through tourism industry

Methodology

The present study is descriptive in nature. The study was covered tourist places in Tiruchirappalli district. So this study was selected as study area Tiruchirappalli District. The sampling was determined as 200 respondents. The primary data were collected through well structured questionnaire. The secondary data were collected from various websites, books, journals and official records.

Analyses and Interpretations

Opinion of the respondents about “Tourism industry contributes more portions to the economic development”

S. No	Level Agree	No. of the Respondents	Percent
1.	Strongly agree	54	27.0
2.	Agree	59	29.5
3.	No opinion	32	16.0
4.	Disagree	29	14.5
5.	Strongly disagree	26	13.0
	Total	200	100.0

The above table shows that 29.5% of the respondents agree with the statement that “Tourism industry contributes more portions to the economic development”. 23.5% of the respondents strongly agree with the statement that “Tourism industry contributes more portions to the economic development”. 14.5% of the respondents disagree with the statement that “Tourism industry contributes more portions to the economic development”. 13% of the respondents strongly disagree with the statement that “Tourism industry contributes more portions to the economic development”.

It is concluded that maximum 56.5% of the respondents agree with the statement that “Tourism industry contributes more portions to the economic development”.

Chi-square Test

		Gender		Total	Statistical inference
		Male	Female		
Attraction and source of information	Low	17 8.5%	41 20.5%	58 29.0%	$X^2 = 0.644$ $Df = 1$ $0.264 > 0.05$ Not significant
	high	50 25.0%	92 46.0%	142 71.0%	
Destination attraction	Low	19 9.5%	32 16.0%	51 25.5%	$X^2 = 0.433$ $Df = 1$ $0.213 > 0.05$ Not significant
	high	48 24.0%	101 50.5%	149 74.5%	
Increase employment opportunity	Low	30 15.0%	54 27.0%	84 42.0%	$X^2 = 0.319$ $Df = 1$ $0.649 > 0.05$ Not significant
	high	37 18.5%	79 39.5%	116 58.0%	
Income generation through tourism	Low	31 15.5%	53 26.5%	84 42.0%	$X^2 = 0.754$ $Df = 1$ $0.233 > 0.05$ Not significant
	high	36 18.0%	80 40.0%	116 58.0%	
Development of service sector in international standard	Low	20 10.0%	30 15.0%	50 25.0%	$X^2 = 1.264$ $Df = 1$ $0.170 > 0.05$ Not significant
	high	47 23.5%	103 51.5%	150 75.0%	
Economic growth of the region	Low	19 9.5%	38 19.0%	57 28.5%	$X^2 = 0.001$ $Df = 1$ $0.556 > 0.05$ Not significant
	high	48 24.0%	95 47.5%	143 71.5%	
Oveall perception about tourism industry growth through economic development	Low	38 19.0%	61 30.5%	99 49.5%	$X^2 = 2.099a$ $Df = 1$ $0.97 > 0.05$ Not significant
	high	29 14.5%	72 36.0%	101 50.5%	

Research hypothesis

There is a significant association between gender of the respondents and their Oveall perception about tourism industry growth through economic development

Null hypothesis

There is no significant association between gender of the respondents and their Overall perception about tourism industry growth through economic development

Statistical tool

Chi-square test ' X^2 ' is used for the above table

Findings

The above table shows that there is no significant association between gender of the respondents and Overall perception about tourism industry growth through economic development. Hence the calculated value is greater than the table value ($P > 0.05$). so the research hypothesis is rejected and null hypothesis is accepted.

Suggestions

- Banks with ATM facilities should be created in centres of tourist attraction. Banks and ATM centres are primary need of the tourist. They transfer money and also exchange their currency to our nation currency in proper way, so they need banking facility.
- The tourism industry service providers give attention to quality services, especially for transport vehicles, hotel accommodation are influencing customer satisfaction. So the researcher recommends that tourism service providers make changes their operation for providing quality services.
- Government officials are taking necessary initiatives to facilitate tourism in terms of marketing campaign, registered dealers, authorized guides and other necessary services to the tourist.

Conclusion

Tourism is the sector which contributes notable portion to economic growth. Tourism is classified based on the purpose they visit. Site seeing tourism, natural tourism, medical tourism, business tourism etc are the types of tourism. The Indian tourism has a clear bright future because the demand for travel and tourism in India is anticipated to develop by 8.2 per cent between

2014 and 2019 and will place India at the 2nd position in the world. Besides Maximum FDI, income generation and acceleration of world class infrastructure development India's travel and tourism sector is expected to be the 2nd largest service provider in the world. Tourism can be used as a catalyst for socio-economic development if Government and other people involved in tourism pursue sustainable development of tourism in a comprehensive and planned manner.

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