

TOURISM & ECONOMY: DEVELOPMENT CHALLENGES IN RAJASTHAN

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Abstract *Every country in world is known by its strength. Countries are categorized as develop, developing and underdeveloped by its economic status. India is known as developing country because we are lagging behind in infrastructure, technology, industry, education and many other sectors in development compare to developed countries. There are several reasons for this precedence but the important reason is our focus is diversified. We exactly don't know that on which sector we have comparatively much potential and be more focused. As India has all the resources to boost tourism here there is need to focus on the development of it. Development of tourism automatically brings the infrastructural, technological, agricultural, economical, other service sectors development with it because it has multiplier effect.*

Same as country Rajasthan is the state which has huge possibilities for economic development through tourism industry but still our government is unable to exploit its potential. For utilization of its resources to generate income and employment there are some challenges too.

So, this study focuses on the industry and resources which can bring noticeable economic development in Rajasthan. It also notifies the challenges and suggests the strategies by which challenges can be handled.

Keywords: *Economy, Tourism, Challenges, Strategies*

INTRODUCTION

For best use of resources, economic welfare and sustainability economic growth & development is essential. Economic growth look ups the leaving standard of local people. Bigger economies grow in a sustainable way and have more global influence.

The Government of India has undertaken several initiatives aiming economic growth and development.

During the last few decades, India has made good economic progress in the field of Information Technology, Infrastructure, Agriculture, and other sectors. At present India is considered a major developing country with an average GDP growth rate of around 7 percent. In terms of nominal GDP, India is ranked seventh in the world.

Although India's economy is continuously growing but there are few states which are still lagging behind in term of development although there is huge scope to develop. Only need is to explore the potential sector and resources with focused eye.

Rajasthan state is one of them which have huge potential to develop. There are so many opportunities like handicraft industry, marble industry, mining industry, textile industry, agriculture, Medical, higher education and most important Tourism.

Tourism is growing in the world on its rapid pace. It has emerged as a key sector of the world economy and has become a major work force in global trade. It is tremendously contributing in infrastructure development, transportation and technological development, cultural and social development and many more. Beside this it has noticeable and revolutionary impact on the world economy.

The multi-faceted nature of this industry makes it a catalyst to economic development and helps balanced regional development. It is a low capital, labor intensive industry with economic multiplier and offers an opportunity to earn foreign exchange at low social cost. Tourism industry has a powerful impact on both social and economic status of the country. It stimulates employment and investment, modifies economic structure and makes positive contributions towards balance of payments.

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ECONOMIC IMPORTANCE OF TOURISM INDUSTRY

Tourism creates direct, indirect and induced employment. It produces a vast spectrum of employment. The World Travel and Tourism Council (WTTC) (2015) argues that Travel & Tourism continues to be one of the world's largest industries. The total impact of the industry is impressive. The tourism and hospitality sector is among top ten sectors in India. According to the WTTC report tourism generated 8.31 lakh crores or 6.3 % of the nations GDP and also supported 37.315 million jobs which is 8.7% of its total employment.

Over the next ten years, this industry is expected to grow by an average of 4% annually. This will bring it to 10% of global GDP, or about US\$10 trillion. By 2022, it is anticipated that it will account for 328 million jobs, 1 in every 10 jobs on the planet.

REVIEW OF LITERATURE

(Gosh Viswanath, 1998) stated tourism as a major export industry in the world. It has long been recognized that tourism can have an impact on economic activity (Dwyer et al., 2004). Tourism is seen as increasing overall economic activity, and this increase in activity is normally seen as desirable. Often, the positive impacts on economic activity are inaccurately described as the "benefits" of tourism, as explained below (Dwyer and Forsyth, 1993). Increasing attention has been focused on international tourism as an important potential growth sector for many countries (Brohman, 1996). The speedy growth of tourism causes an increase in household income and government revenues through multiplier effects, improvements in the balance of payments and growth in the number of tourism-promoted government policies. Because of the potential economic benefits of tourism, such as increases in foreign exchange earnings, income, employment and taxes (Archer, 1995, Balaguer and Cantavella-Jorda, 2002, Dritsakis, 2004 and Durbarry, 2002), many governments have engaged in tourism development for the purpose of promoting economic growth (Sahli and Nowak, 2007). Analyzing the relationship between tourism development and economic growth has been a popular topic in recent tourism literature (Arslanturk et al., 2011 and Kim et al., 2006).

The impacts of global tourism reflect the fact that it is an activity of considerable economic importance. Tourism is not only a source of income and employment, but it also serves as a major factor in the balance of payments for many countries, and has therefore gained increasing attention on the part of governments, as well as regional and local authorities, business investors, and others with an interest in economic development.

In a pioneer paper, Kraph (1961) concluded that tourism has a "special function" in developing countries, a function which he defined in terms of a series of "economic imperatives", as follows:

- Exploitation of the countries' own natural resources,
- An ability to provide internally many of the goods and services required,
- Improved balance of payments,
- International competitiveness due to favorable terms of trade,
- Social utility of investments in tourism: employment generation and multiplier effect
- Balanced growth

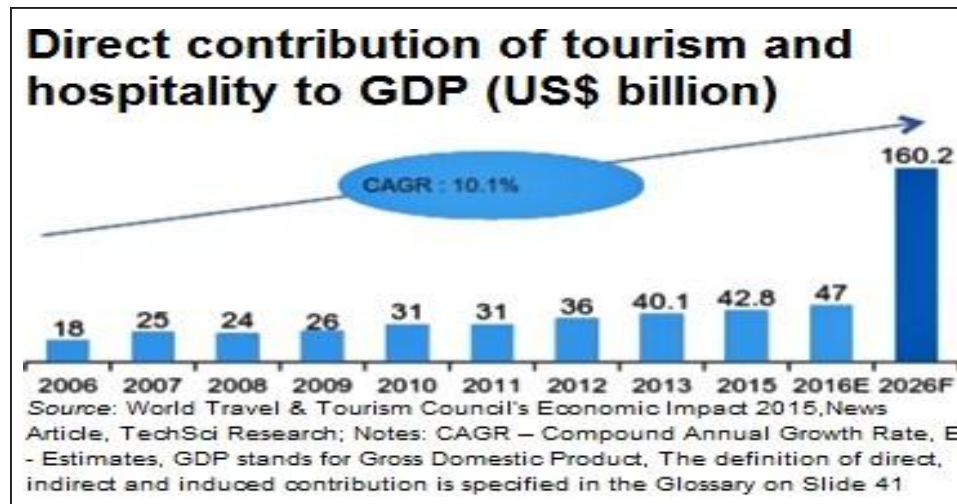
Jobs generated by tourism are spread across the economy in retail, construction, manufacturing and telecommunications, as well as directly in tourism companies. These jobs are predominantly in small and medium sized companies; offer good training and transferability; and employ a large portion of women, minorities and young people. Tourism can also be one of the most effective drivers for the development of regional economies, and these patterns apply to both developed and emerging economies (WTO 1999).

A systematic approach to tourism development, planning and management is advocated because it can accommodate social and environmental problems, as well as economic factors that have been the focus of previous research. (Smith, 1996) argued that the tourism system is an open system in that it responds to changes in social, natural and economic factors and is evolving into an increasing state of complexity. In addition tourism promotes infrastructure development and the redistribution of resources to further the amelioration of poverty.

Tourism industry acts as a powerful agent of both economic and social change. The ODI (Overseas Development Institute) World Bank review identifies three main path ways through which tourism affects poverty reduction.

CONTRIBUTION OF TOURISM INDUSTRY IN COUNTRY'S ECONOMY

- Tourism in India accounts for 7.5 per cent of the GDP and is the third largest foreign exchange earner for the country.
- The tourism and hospitality sector's direct contribution to GDP in 2016, is estimated to be US\$47 billion.
- The direct contribution of travel and tourism to GDP is expected to grow at 7.2 per cent per annum, during 2015-25, with the contribution expected to reach US\$160.2 billion by 2026.



Source: FTAs and FEEs from tourism during the month of June, 2016

FTAs during the Month of June, 2016 were 5.50 lakh as compared to FTAs of 5.12 lakh during the month of June, 2015 and 5.02 lakh in June, 2014. There has been a growth of 7.3% in June, 2016 over June, 2015.

Foreign Exchange Earnings (FEEs) from Tourism in India in Rs. terms and in US\$ terms:

- FEEs during the month of June, 2016 were Rs. 10,732 crore as compared to Rs. 9,564 crore in June, 2015 and Rs.8,366 crore in June, 2014.
- The growth rate in FEEs in rupee terms during June, 2016 over June, 2015 was 12.2% as compared to the growth of 14.3% in June, 2015 over June, 2014.
- FEEs from tourism in rupee terms during January-June, 2016 were Rs.73,065 crore with a growth of 14.1% as compared to the FEE of Rs.64,035 crore with a growth of 8.3% during January- June, 2015 over January- June, 2014.) (Bureau, Government of India, Ministry of Culture, 2016).

Thus we can observe that tourism is the sector which has huge potential to develop economy and generates employment.

CONTRIBUTION OF TOURISM IN RAJASTHAN'S ECONOMY

Endowed with natural beauty and a great history, tourism is a flourishing industry in Rajasthan. State contributed to over 20% of India's Foreign Tourist Arrivals (2013-14) and over 36.6 million tourists visited Rajasthan in 2015. Rajasthan also forms part of India's golden triangle, a tourist circuit which connects the national capital Delhi, Agra and Jaipur. The second largest city in Rajasthan, Jodhpur is among the top 10 preferred destinations that travellers have on their wishlists for the upcoming year, a recent study has revealed.

Tourism accounts for approximately 15 per cent of the Rajasthan's economy and provides economic benefits like foreign exchange earnings, regional development, infrastructure development and promotion of local handicrafts.

In Rajasthan, tourism accounts for 2.7% (5.2% after adding indirect effects) in Gross State Domestic Product and 1.9% (7.2% after adding indirect effects) in state employment.

Tourism has a significant impact on the economy of Rajasthan. Tourism generates and increases employment, opportunities of revenue, increase investment opportunities and develop the infrastructure.

Tourism Industry is more gender neutral as compared to other Industries and women account for 65% of the international tourism workforce. For Rajasthan also tourism sector provides enabling platform for increasing labor force participation rate.

Thus it will not be wrong that although the development of tourism sector is not on the state governments top three priorities but still Rajasthan has huge potential to exploit the opportunity. There are few major obstacles and challenge which are preventing the full development of tourism in Rajasthan.

These obstacles and challenges are as follows:

Road & Connectivity: The absence of good transportation system, air and rail connectivity is a big problem in the development of tourism in Rajasthan. Most of the public transportation are in very poor conditions and require immediate attention.

The other problems related with transportation are:

- (i) There is a lack of parking around the tourism attraction like historical places etc.

- (ii) Dangerous positions of many roads of Rajasthan, which can cause accidents (<http://shodhganga.inflibnet.ac.in/>).

Sanitation and hygiene/ Public facilities: Most of the tourists who visit Rajasthan face problems with public washrooms facilities as they don't find proper cleanliness and hygienic public washrooms.

Tourism Education: As far as tourism education is concern in Rajasthan, it is lacking resulting fails to give the feel of Atithi Devo Bhav.

Poor Marketing Strategy: Rajasthan needs to promote through proper advertisement and documentation on various channels which can attract more tourist towards Rajasthan.

Shortage of Registered Guides: Government should ensure that tourists coming to the Rajasthan get registered guides, so they can enjoy the beauty and history of Rajasthan in the true sense.

Lack of Safety and Security: Safety and security comes first while choosing any destination by tourist to visit. Due to few terrorist attacks on tourism destinations in different parts of the country tourists are worried about their safety and security in Rajasthan.

Lack of Tourists Reception Centers (TRC): TRC is a centre or help desk for providing required information to the tourist. In Rajasthan lack of the tourist reception can be seen which resulting loss in revenue as tourist are not getting detail information about the various tourist attractions hence they do not visit all the places of tourists attractions.

GOVERNMENT INITIATIVES

To encash the economic opportunities from tourism industry country's government is continuously taking the initiatives in strategy and policy making. The work program continues to evolve over time as new issues of national significance require the attention of governments, with research highlighting areas in need of action. Tourism. Through Tourism 2020, governments at all levels will need to work with tourism industry operators to implement the strategy and monitor progress against the 2020 Tourism Industry Potential.

Government of Rajasthan has vision of doubling (present 1.5 million to 3.0 million tourists) the footfall of International Tourists traffic by the year 2020. In the same period, the Government also aims to increasing the Domestic Tourist traffic from the present 33 million to 50 million tourists. Consequently, Rajasthan Government has been taken various initiatives to improve state tourism in Rajasthan.

SUGGESTED DEVELOPMENT STRATEGIES

- **Inward & Outward Strategies:** By opting inward looking strategies state government can increase in development and economy growth. Which referred as important substation, encouraging the development of domestic industry 'under cover' of protective barriers, such as tariffs and quota?
- **Outward Looking Strategy:** Such as promoting tourism, is seen as a more modern approach to development, encouragement of high-level of FDI's etc.
- Special cultural delegation of intellectuals, writers, journalists etc. can be invited by the Tourism Department to visit Western Rajasthan and educate the people of their respective countries regarding the cultural heritage of India in general and Rajasthan in particular.
- Literature pertaining to history, tradition, art, culture, artifacts and handicrafts, natural phenomenon etc. be prepared and given wide publicity.
- The tourist guides can play a big role in the development of tourist industry in Western Rajasthan. They should not only be given proper education and training regarding the culture and tradition places of historical interest, history of place and monuments and main features of art and craft of Western Rajasthan but also they should be made committed the norms of their profession. They should have sense of involvement in the whole gamut of tourism, instead of taking it as a mere money making business. They should be given excellent training in understanding, speaking and writing foreign languages such as English, French etc. They would not hesitate in helping the tourists in whatever little manner they could do and solve their minor problems in routine way. The educated youth are employed in tourism industry to meet the twin ends of solving unemployment problem of the country and development of tourist industry.
- The technology of audio-visual system be pressed into service to present features of history and life of the people of Rajasthan who are quite distinct from others in several respects. The radio and television should give due coverage to these features. Journalists of Rajasthan should highlight its culture and tradition by writing articles and publishing photographs in newspapers and magazines.

CONCLUSION

India's economy is continuously growing but there is a need to speed up it. It can be speed up by focusing on each

state's potential resource which can be en-cashed in term of development and employment. Rajasthan is the state which has huge potential of the economic development due tourism industry. By making tourism friendly strategies and policies, focusing on infrastructure development state can generate more employment and get foreign exchange earnings and revenue from domestic tourism too.

There is need to put more efforts in destination marketing and promotion of 'Jane kya dikh jaye' campaign. By serious working of the solution on tourism challenges can bring the visible economic revolution in Rajasthan.

Hence, after the deep study of the available data it can be said that 'tourism industry can be a backbone of the economy of Rajasthan'. As tourism industry have so many positive impacts like it engendering source of income and employment. It provides prominent resource of foreign exchange earnings and boosting development of infrastructure. It also bring peace and stability, it has multiplier effect. It is responsible for regional development and improves the economic value of cultural resources too.

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