

TOURISM POTENTIAL IN CREATING EMPLOYMENT OPPORTUNITIES ACROSS INDIA

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Abstract: Tourism is a practice of "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes". Tourism in India is important for the country's economy and is growing rapidly. It also helps to generate income for the country and is a continual source of income. The World Travel and Tourism Council calculated that tourism generated ₹16.91 lakh crore (US\$240 billion) or 9.2% of India's GDP in 2018 and supported 42.673 million jobs, 8.1% of its total employment. The sector is predicted to grow at an annual rate of 6.9% to ₹32.05 lakh crore (US\$450 billion) by 2028 (9.9% of GDP). It aids and encourages infrastructure development by making ways for dams, roads, connectivity, airport improvements and any other activities that helps tourists in visiting a place in a much better way. It is a wonderful method for cultural exchange. Tourism also plays an important role in eradicating the unemployment. It created many jobs specifically in hotel industry, hospitality industry, service sector, entertainment, transportation industry etc. which gives an opportunity for trying new tasks and learn new skills. It also increases the standard of living of people and also helps in the economic progress of the nation by generating foreign currency. This paper aims to study a tourism and employment opportunities in India from tourism industry.

Key Words: Tourism, GDP, Employment opportunities and Industry

1.0 INTRODUCTION

Indian tourism sector is one of the most important service sectors of the Indian economy. Its contribution to employment generation, Gross Domestic Product, Foreign Exchange earnings is tremendous and significant. Tourism sector is also considered as the backbone for allied sectors like hospitality, civil aviation, travel and transportation, hotel, resort, home stays, street vendors, spice shops, tour operators etc. Every year both Central and State government have been investing huge amount for the development of tourism sector. This enhanced tourism sector is one of the important drivers of growth, employment creation, increase of national as well as individual income, improving the balance of payment position and foreign exchange earnings, improving people's standard of living, level of consumption etc. India's wide variety of all-season attraction provides huge opportunities for tourists. These attractions get developed for the socio-economic benefit of the local communities, especially to achieve more inclusive economic growth. The use of existing resource has to be under taken economically for well-being of the present generation but not at the cost of depriving future generations of any part of our inheritance. In the subsequent papers an attempt is made to trace the contribution of

tourism industry to economic growth based on three major indicators of tourism development, namely foreign tourist arrivals in India, foreign exchange earnings from tourism in India and balance of payment with respect to travel and tourism. The analysis is limited to foreign exchange earnings from tourism and foreign exchange payment for tourism by Indian tourists in foreign countries.

Employment is an important macroeconomic variable, which reflects the nature and growth of the economy. Several empirical studies in the recent year reveal that, how growth has become jobless and employment elasticity of growth are declining gradually. However, the growth of service sector is contributing significantly to employment generation; especially the tourism component of this sector. Therefore, an attempt is made here to study contribution of Travel and Tourism to employment generation. Tourism sector has a tremendous potential to create direct, indirect jobs and also induces additional job creation through various linkages and supply side management.

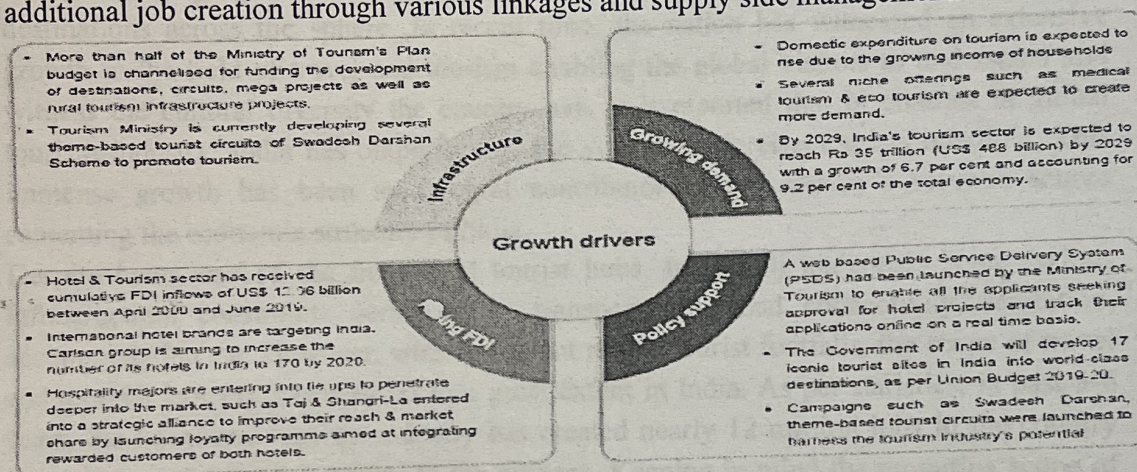


Figure.1 Growth Drivers for the Tourism
(Source: make in India, DPIIT, Techsci Research)

Tourism is increasingly seen as a potential lever towards high economic growth, measured both in terms of income and employment. In recent years, interest in tourism has spread rapidly throughout many small and medium, which previously have not considered themselves as tourist destinations. This paper reviews and summarizes the existing literature on the economic assessment of tourism with the objectives of, firstly, identifying the main categories of impacts and, secondly, constructing an inventory of methodologies available to assess them. We will progress step by step, starting from the most simplistic approaches and relaxing assumptions as we proceed.

2.0 OBJECTIVES OF THE STUDY

- (1) To study about the employment opportunities in tourism industry in India.
- (2) To analyze the Sector-wise employment in India.
- (3) To assess the share of tourism employment in the overall employment in India.

3.0 METHODOLOGY

This study is a descriptive research and is based on secondary data. It includes the compilation of research articles of the experts and published articles in magazines, periodicals, websites, published books etc.

4.0 HYPOTHESIS

H0 There is no significant difference between awareness and use of tourism industry.

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5.0 SCOPE

There is no denying of the fact that Indian is reckoned as one of the most preferred tourist destinations across the sphere. In recent time, the nation has witnessed an extensive growth in the field of travel and tourism enabling the global visitors to understand and witness the cultural diversity the country has. It is reported that in contrast to global tourism industry, India has outperformed the volume of foreign tourists manifold. This immense growth has been an integral contributor to the country's revenue source cementing the economic structure of India.

Despite being one of the frequented tourist hubs, India still undergoes some serious infrastructural constraints pertaining to transportation, road connectivity, sanitation, accommodation etc. However, with consistent rise in tourist footfalls, the scope of travel and tourism industry has evolved to a great extent in India. As per statistics, in past 5-6 years, the travel and tourism industry has created nearly 12 million jobs in the country generating useful earning source to the citizens. Keeping in mind the mounting scope of the said industry, the estimated employment exposure in this sector is 37 million by 2020. At the same time, youth should also be encouraged in selecting tourism, travel and hospitality as a useful career options for their future.

6.0 LIMITATIONS

The first limitation was found in the data secondary collection process; data collection may appear to be insufficient to cover such a large area. Due to time limits of time and access to large secondary materials samples, this study could only utilize a representative secondary data to draw out the results.

A second limitation was encountered in the selecting of research methods. This study is researching on the tourism branding strategies behind marketing materials.

7.0 TOURISM AND EMPLOYMENT OPPORTUNITIES

The employment opportunities in tourism can be created mainly in two ways. They are:

1. Direct employment opportunities: Direct employment opportunities are the total number of job opportunities supported directly by the travel and tourism. Eg: employment provided by hotels, restaurants, travel agencies, tourism information offices, museums, protected areas such as national parks, palaces, religious sites, aircrafts, monuments, resorts or shopping outlets, photography, farm houses, etc. There are a large number of specialist personnel required to work as accountants, housekeepers, waiters, cooks and entertainers, who in turn need large number of semi-skilled workers such as porters, chambermaids, kitchen staff, gardeners etc.

2. Indirect employment opportunities: In addition, it should be emphasized that tourism is also responsible for creating employment outside the industry in its more narrowly defined sense and in this respect those who supply goods and services to those directly involved in tourism equally are beneficiaries from tourism. Indirect employment opportunities include activities like restaurant suppliers ,construction companies that build and maintain tourist facilities and necessary infrastructure, aircraft manufactures, various handicrafts producers, marketing agencies, accounting services, furnishing and equipment industries, souvenir industries and farming and food supply etc. which are more or less dependent on the companies providing direct employment. The economic importance of tourism in India can by no means be underestimated. It benefits the people living in and around tourist centers financially. Fortunately for India, the Ministry of Tourism of the central government and the department of Tourism of the different State Governments are jointly trying to make all possible attempts to attract the tourists to this country. The government of India understands the importance of promoting Tourism, Tourist hotels, lodges, dormitories and rest houses are made and maintained by various State Governments to look to the comforts of the tourists. The money spent by the foreign tourists at hotels and other places helps the local economy. The Natural Tourism Board and the Tourism Finance Corporation of India have been working in full swing to bring about the improvement of tourists centers in India. Tourism has now been accepted as an industry like all other industries that earn foreign exchange from the tour-loving people of the world and the tremendous employment opportunities. The travel and tourism industry, along with the related sectors contributing to it, is expected to grow in leaps and bounds in the coming years. The travel and tourism industry, along with the related sectors contributing to it, is expected to grow in leaps and bounds in the coming years. A job in this industry can be highly exciting and adventurous and even pays well.

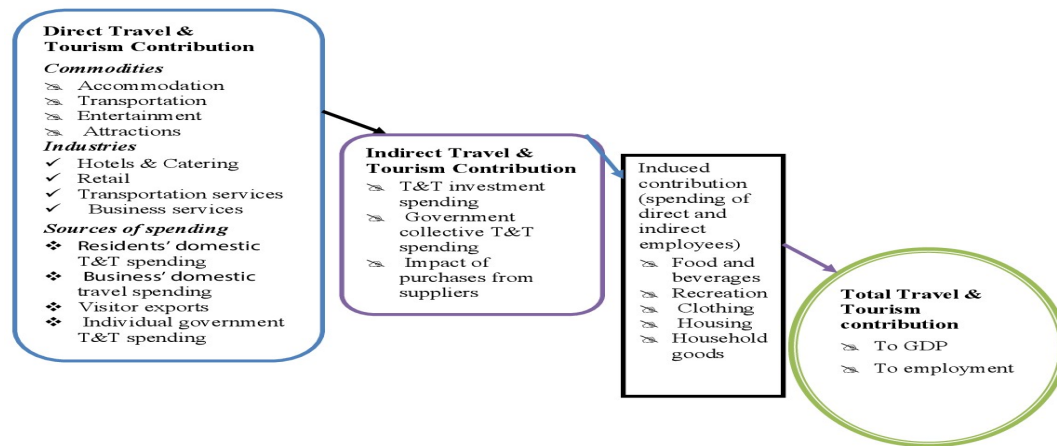


Figure 2: Direct, Indirect and Induced Contribution of Tourism and hospitably sector

(Source: Caribbean Hotel and Tourism Association, 2011)

TRAVEL AND TOURISM’S DIRECT CONTRIBUTION TO EMPLOYMENT

According to the report of World Travel and Tourism Council, Travel and Tourism generated The direct contribution of Travel & Tourism to GDP was INR5,943.3bn (USD91.3bn), 3.7% of total GDP in 2017 and is forecast to rise by 7.6% in 2018, and to rise by 7.1% pa, from 2018-2028, to INR12,677.9bn (USD194.7bn), 3.9% of total GDP in 2028.

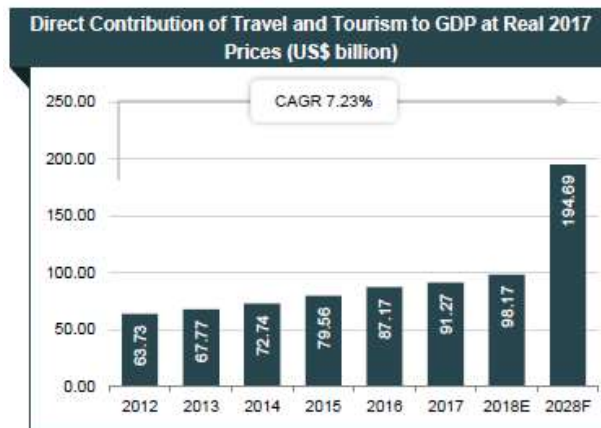


Figure 3: Rising Contribution to India’s GDP @ Real 2017

(Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2018)

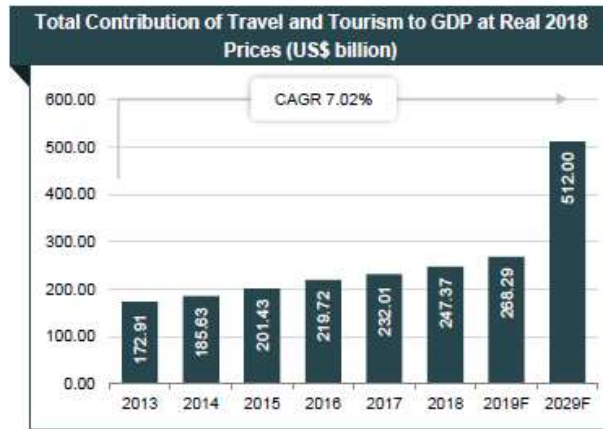


Figure 4: Rising Contribution to India’s GDP @ Real 2018

(Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2018)

- 1) India ranked 7th in the world in 2017 contributing US\$ 234 billion in terms of absolute direct contribution of travel & tourism sectors to its GDP. It is the 3rd largest foreign exchange earner for the country.
- 2) India was ranked 34th in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.
- 3) The tourism & hospitality sector’s direct contribution to GDS in 2017, was Rs 5.94 trillion (US\$ 91.27 billion). This is expected to reach Rs 12.68 trillion (US\$ 194.69 billion) in 2028, implying a CAGR of 7.23 per cent during 2012-28.
- 4) According to 2018 report of the world Travel and Tourism Council (WTTC), India was ranked third in the tourism sector.
- 5) India generated revenue of about US\$ 247 billion in 2018.

TRAVEL AND TOURISM’S DIRECT CONTRIBUTION TO EMPLOYMENT

According to the report of World Travel and Tourism Council, Travel and Tourism generated 26,148,000 jobs directly in 2017(5% of total employment) This is expected to rise by 2.8% in 2018 and rise by 2.1% pa to 33,195,000 jobs (5.3% of total employment) in 2028. This includes employment by hotels, travel agents, airlines and other passenger transportation services excluding commuter services.

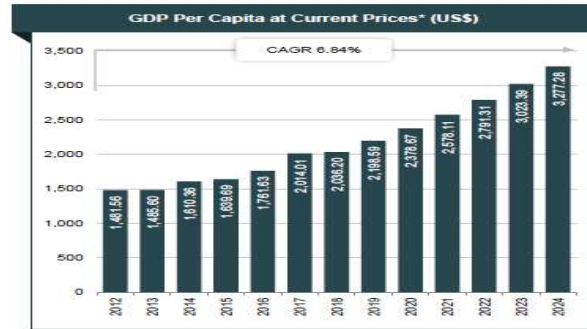


Figure 5: Rising in Income and Changing Demographics Boosting Demand

(Source: International monetary fund, World Economic Outlook database, April 2019)

- 1) Rising incomes mean a steady growth in the ability to access healthcare & related services.
- 2) India’s GDP Per Capita at current prices is estimated to have reached US\$ 2,036.20 IN 2018. It is expected to reach US\$ 3277.28 by 2024, implying a compounded annual growth rate of 6.84 per cent during 2012-24.
- 3) As of April 2019, OYO has created over 1,00,000 direct and indirect jobs in India and expects to double the number by 2020.

TRAVEL AND TOURISM’S TOTAL CONTRIBUTION TO EMPLOYMENT

As per the report of World Travel and Tourism Council, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 8.0% of total employment (41,622,500 jobs in 2017). This is expected to rise by 3.1% in 2018 to 42,898,000 jobs and rise by 2.0% pa to 52,279,000 jobs in 2028 (8.4% of total).

TYPES OF TOURISM

1. **Rural Tourism:** The Village Level Council (VLC) is the interactive forum for local community participation in work plan implementation. Ex. art and craft, handloom and textiles
2. **Adventure tourism:** adventure tourism in India, tourists prefer to go for trekking to places like Ladakh, Sikkim and Himalaya.
3. **Wildlife tourism:** This has boosted wildlife tourism in India. The places where a foreign tourist can go for wildlife tourism in India are the Sariska Wildlife Sanctuary, Keoladeo Ghana National Park and Corbett National Park.

4. **Medical tourism:** There are several medical institutes in the country that cater to foreign patients and impart top-quality healthcare at a fraction of what it would have cost in developed nations such as USA and UK. India's earnings from medical tourism could exceed US\$9 billion by 2020.
5. **Pilgrimage tourism:** The various places for tourists to visit in India for pilgrimage are Vaishnavi Devi temple, Golden temple, Akchar Dham, Mathura Vrindavan etc.
6. **Eco tourism:** This is becoming more and more significant for the ecological development of all regions such as Kaziranga National Park, Gir National Park, Gir National Park and Kanha National Park.
7. **Cultural tourism:** The various fairs and festivals that tourists can visit in India are the Pushkar fair, Taj Mahotsav and Suraj Kund Mela. The types of tourism in India have grown and this has boosted the Indian economy.
8. **Business Tourism:** When people travelled from one country to another for trade and commerce, they also visited historical places, and natural destinations.
7. **Educational Tourism:** Educational tourism refers to any program in which participants travel to a location either individually or as a group with the primary purpose of engaging in a learning experience directly related to the location.
9. **Nature Tourism:** It may be defined as the tourism related to beautiful wild life, nature conservation and pristine natural lands in the world. Nature is the most precious gift of God to humanity.
10. **Sports Tourism:** Sports tourism is a prevalent and growing phenomenon. Sports tourism involves people travelling to participate or to observe sports.
11. **Meetings, Incentives Conventions and Exhibitions (MICE) Tourism:** One of the most important and fastest growing segments in the Global Tourism Industry is Convention Tourism, also known as MICE –Meetings, Incentives, Conventions and Exhibitions.
12. **Cruise tourism:** Cruise shipping is one of the most dynamic & fastest growing segments of the global leisure industry.

8. CONCLUSION

Tourism is a major driver of economic growth globally. India's tourism industry is experiencing a strong period of growth, driven by the burgeoning Indian middle class, growth in

high spending foreign tourist and coordinated government campaigns to promote 'Incredible India. "To ensure that tourism must not be outcome based but should be based on long term sustainability criteria." Tourism is playing an important and effective role in achieving the growth with equity - an objective which we have set for

Ourselves. On one hand, it plays an important and certainly positive role in the socio-economic and political development of communities, for instance, offering new employment opportunities. Also, in certain instances, it is contributing to a broader cultural understanding by creating awareness, respecting the diversity of cultures and ways of life. On the other hand, as a tool to create jobs, it has not fulfilled its expectations.

Tourism industry has seen many important changes that will surely have significant impact on future tourist demand. The rise of e-tourism has made it easy to make up one's trip online rather than to buy a tourist package proposed by a tour operator will bring great changes in tourism industry. Green tourism which is also known as nature-based tourism or sustainable tourism is another thing. It is having a great demand and will continue its growth on future as many travelers are aware about the impact of tourism on environment. According to the World Travel and Tourism Council, by 2020 Indian tourism industry is expected to contribute 8,50,000 crores to the GDP. India has yet to realize its full potential from tourism. The Travel and Tourism industry holds tremendous potential for India's economy. It can provide impetus to other industries and create millions of new jobs. It is expected that through tourism India can generate enough wealth to pay off the international debt. This is the reason for including tourism among the core sectors of Indian economy.

India is a country with varied culture and traditions. Indian festivals, dresses, heritage sites etc. Are more popular among the tourists. Commercial enterprise business is having a large potential to generate employment and also in earnings to contribute to the economic development of nation. Many unemployed and semi-skilled persons are self-employed especially in rural areas. Today increase tourism in India has created job in many sectors. Almost 20 millions people are working in the India's industry. Adventure tourism and medical tourism is growing remarkably. The policies and changes implemented by the government of India is one of the main reasons for the development of tourism. Further steps have to be taken in order to increase our tourism promotional activities and to get benefits for the economy and also for the employment sector. Hence H1 Hypothesis is proved.

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