

## TOURISM AND ECONOMIC DEVELOPMENT: A CASE STUDY OF MAHARASHTRA

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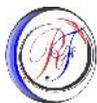
### ABSTRACT

*Tourism is “activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes” (WTO 2002). Maharashtra is an embodiment of the natural beauty and grace, with dense forests, heavy rains during monsoon, innumerable varieties of flora-fauna, melodious folk music, dances and festivals, variety of many delicious dishes, handlooms and handicrafts, and above all its green landscape representative of the region, has been at the centre stage of tourist attraction. Maharashtra has vast potential for tourism. The paper tries to highlight the potential of tourism in promotion economic development. It also attempts to study the trends in the flow of tourists to Maharashtra and the revenue earnings of the state. Besides, the paper suggests ways for improvement of tourism industry as a perspective tool of economic development in Maharashtra*

**KEYWORDS:** Tourism, Economic development, flow of tourists

### INTRODUCTION

Tourism is “activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes” (WTO 2002). The tourism industry is the most rapidly growing industry in the world. The United Nations World Tourism Organization (UNWTO) has, in its projection for 2020, estimated 1.6 billion arrivals generating \$ 2000 billion in tourism receipts. In India, it is the largest service industry, making a contribution of 6.23% to the national GDP and providing 8.78% of the total employment in the country. The number of foreign tourists who visited India in 2009 was 5.11 million and domestic tourism in the same year drew 650 million tourists Maharashtra is an embodiment of the natural beauty and grace, with dense forests, heavy rains during monsoon, innumerable varieties of flora and fauna, countless species of wild animals and plants, mysterious clouds, melodious folk music, thrilling dances and festivals, variety of many delicious dishes, handlooms and handicrafts, and above all its green landscape representative of the region, has been at the centre stage of tourist attraction. Maharashtra has vast potential for tourism.



## OBJECTIVES OF THE PAPER

1. To examine the potential of tourism in promotion economic development.
2. To study the trends in the flow of tourists to Maharashtra and the revenue earnings of the state.
3. To suggest ways for improvement of tourism industry as a perspective tool of economic Development in Maharashtra

## POTENTIAL OF TOURISM

Tourism is one of key sectors identified in the NE vision 2020 towards achieving an encompassing (inclusive) development of the region. North-East India has the potential to attract tourists of diverse Interests. . It has diverse endowments of tourist interests. The existing and potential variety of tourism can be listed as follows:

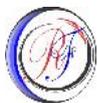
1. Nature Tourism- scenic beauty.
2. Eco-tourism- mountains, lakes, rivers, forests, biodiversity hot spot.
3. Cultural Tourism- Elefanta Festival, Aurangabad Festival (Ajanta, Ellora), Karla Festival
4. Pilgrim Tourism-temples etc.
5. Heritage Tourism-tribal festivals.
6. Wildlife Tourism-wildlife sanctuaries, national parks etc.

## TRENDS

Tourist Inflow and Revenue Earnings a. Tourists Staying at Government Tourist Lodges and the Revenue Collected. The number of tourists, both foreigners and Indian, staying at the tourist lodges in Maharashtra and the revenue collected by these tourist lodges of Maharashtra during 2000 to 2011 is shown in Table 1. It is observed from the table that during the reference period, the revenue earned by the tourist lodges as well as the number of tourist staying in the lodges increased.

Table 1  
Foreign Tourists Arrivals in India (FTAS) 2000-2011

Year	FTAs (in millions)	Annual Growth (%)
2000	2.65	6.7
2001	2.54	- 4.2
2002	3.38	- 6.0



2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	5.28	4.0
2009	5.17	- 2.2
2010	5.58	8.1
2011	2.92	10.9

Source: Annual Report of Tourism Dept. 2010

It has been understood from the table 1 that, the foreign tourists arrivals in India continued to grow from 2.65 million in 2000, 2.73 million in 2003, 4.45 million in 2006, 5.17 million in 2009 and reaching 5.58 millions in 2010. The compound annual growth rate in FTAs in India during 2000 – 2010 was 13.5 per cent. The following Figure 1.1 shows that the FTAs in India during the period of 2000-2011.

### India

#### No. Of Domestic Tourists Visit To All States And Union Territories 2000-10

Year	No. of Domestic Tourist Visits ( in millions)	Annual Growth (%)
2000	220.11	15.4
2001	236.47	7.4
2002	269.6	14.0
2003	309.04	14.6
2004	366.27	18.5
2005	391.95	7.0
2006	462.31	18.0
2007	526.56	13.9
2008	563.03	7.0
2009	668.80	18.8
2010 (P)	740.21	10.7

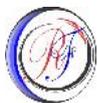
Source: Annual Report of Ministry of Tourism, 2010.

P: Provisional data

By observing above table, it can reviewed that, the statistics on domestic tourists visited to various States and Union Territories during the years 2000 to 2010, there has been a continuous increased in domestic tourist visited during the period 2000 to 2010, with the compound annual growth rate (CAGR) of domestic tourist visits to all States and Union Territories from 2000 to 2010 being 13.2 per cent.

### REVENUE CONTRIBUTION OF TOURISM IN MAHARASHTRA

The domestic tourists visiting Maharashtra doubled during the last decade, from Rs 41.29 lakh in 1991 to Rs 84.8 lakh in 2001. But total number of tourists" arrivals in the state



of Maharashtra during period of 1 st July 2009 to 30th June 2010 was Rs 114.78 million. Out of the total number of visitors, domestic tourists in Maharashtra accounted for 98 per cent (Rs 112.65 million). Total number of foreign tourist arrivals in Maharashtra at the same period was Rs 2.13 million. Foreign tourists in Maharashtra accounted for only 2 per cent of the total tourists but in the month of January 2010 about 241555 foreign tourists visiting to Maharashtra. They most visited destination is Juhu beach in Mumbai. About 11 per cent of the total number of domestic tourists visited to the 47 state during in the month of January 2010. As a result there is rapid increase in number of domestic and foreign tourist in the state. The rapid growth in domestic tourism can be attributed to the ever increasing

Middle class; increase in disposable income, improved facilities, stress on urban families, improved connectivity to tourists" destinations, etc. The foreign tourists come to Mumbai as an entry point to India and proceed to various other states. There is need and scope to attract these visitors into Maharashtra to the various destinations.

## CONTRIBUTION OF TOURISM IN ECONOMIC DEVELOPMENT

### 1) Eradicate poverty

Tourism can stimulate economic growth at local and national levels and promote the growth of agriculture, industry and service sectors. It can also provide a wide range of employment opportunities. Also tourism business and tourists can purchase goods and services directly from the poor or enterprises directly employing the poor. This, in turn, creates opportunities for micro, small and medium sized enterprises in which the poor can participate. Domestic tourism in Maharashtra can spread the development to or regions and remote rural areas that may not be benefited from other types of economic development.

### 2) Development of infrastructure

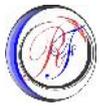
Tourism helps in the development of infrastructure through the construction of roads and tracks to different areas of tourist attraction.

### 3) Ensure environmental sustainability

Tourism can generate financial resources for conservation of the natural environment. It raises awareness about environmental conservation and promotes waste management, recycling and biodiversity conservation.

### 4) Development of a global partnership for development

It contributes to the socio-economic development of Maharashtra through foreign exchange earnings and the creation of job opportunities. Tourism can stimulate the development of the transport infrastructure which can stimulate access to and from different places. It can reduce the burden on the public exchequer through implementation of public private initiatives. It creates decent and productive work for the youths of Maharashtra. Also



the infrastructure agencies play an important role in integrating tourism enterprises into global tourism markets.

### 5) National integration

Tourism promotes the national integration as well as global integration. Tourism establishes harmonious, reciprocal relationship among the world people.

Although Maharashtra has the potentiality of developing tourism in a big way and foster economic development, it is seen that Maharashtra faces certain problems which restrict its effectiveness as a tool for economic development.

### SUGGESTIONS

Tourism, thus, can be considered as an important sector for economic development. Some recommendations can be made in the following ways-

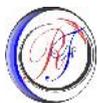
- Proper planning of master plans needs to be prepared with specific objectives be integrated with Maharashtra's overall economic and social development objective.
- Government intervention is necessary to enhance the contribution of tourism for socio-economic development and poverty reduction.
- Proper co-ordination and monitoring amongst various agencies and bodies of tourism.
- Private sector partnerships and public-private partnerships should be incorporated.
- Proper development of infrastructure, tourist facilities, enhancement of communication networks etc.
- States to identify inter-state circuits for relaxing Restricted Area.

### CONCLUSION

In this paper, no extraneous facts except that are borne out of the data available from the reliable secondary data have been considered.

According to the World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential.. The most important economic feature of activities related to the tourism sector is that they contribute to three high-priority goals of developing countries: foreign-exchange earnings, the generation of income and employment Foreign exchange earnings, and contributions to government revenues, take place at the macro or national level, whereas the generation of employment and income, and regional development occur at sub-national levels.

It is important to note that with the exception of earning foreign exchange, other impacts can be gained from domestic tourism activity. Hence, domestic tourism can be of considerable significance to the national economy. Domestic tourism represents a transfer of purchasing power within the economy, which is not in the case of international tourism. The



importance of Tourism, as an instrument of economic development and employment generation, particularly in remote and backward areas, has been well-recognized the world over. Hence, tourism can be termed as a perspective tool of economic development in Maharashtra.

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