

Sustainable Tourism and Economic Growth in India — An Analysis

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Abstract

Spirituality has been a strong motivation for travel and is the case even now. People from developed and affluent countries are moving from their own countries to other destinations, seeking solitude, natural and holistic remedies, including health purposes, and eco-friendly experiences. Tourism is evolving into a more defined activity while developing various niche areas. Tourism activities are considered to be one of the significant sources of economic growth. It is a mechanism for generating employment and income in both formal and informal sectors.

Indian tourism provides employment opportunities, growth of GDP, promotion of healthcare and earning foreign exchange. India's domestic tourism industry has significantly grown, contributing \$151.1 billion to the country's GDP in 2021. Domestic tourist visits have increased nearly ninefold since 2000, reaching 1.82 billion in 2018. International tourism generated over 27.31 billion U.S. dollars in foreign exchange in 2017. The study suggests that sustainable tourism should promote favourable tourism policies to push up economic growth, and in turn, economic growth will positively contribute to international tourism.

Keywords: sustainable tourism, employment, health, and economic growth

1. Introduction

The notion of "sustainable tourism" encompasses all aspects of the travel experience, including consideration for social, cultural, and environmental issues, as well as efforts to enhance visitor experiences and meet the requirements of host communities. With 90 million jobs and a 7.3% GDP contribution in 2021, the Indian tourist sector has proliferated. Sustainable tourism: The travel and tourist sector has become a primary global driver of sustainable socioeconomic growth. Sustainable

tourism is going to destinations without endangering the environment or the local population while positively contributing to the nation's economy, society, or environment (2011). Transportation to the destination, local transportation, lodging, entertainment, shopping, and food are all examples of tourism-related activities. According to Hwang (2019), it is related to travel for friends, family, business, and enjoyment.

2. Review of Past Studies

There have been events in recorded history that

demonstrate how far humanity has come over the years. The idea of medical tourism dates back thousands of years. Pilgrims and patients travelled from the Mediterranean to the Asklepios Sanctuary in Epidaurus in ancient Greece. The Roman Empire is linked to leisure travel as it was practised in the West. Patients in Roman Britain bathed in a Bath shrine; this custom lasted for 2000 years, according to Naik (2013). According to Archer (1995), Balaguer and Cantavella-Jorda (2002), Dritsakis (2004), Durbarry (2002), and many other authors, many governments have invested in the development of tourism as a means of fostering economic growth. These authors include Lim (1987), Khan (1995), Lee and Kwon (1995), Oh (2005), Sahli and Nowak (2007).

Foreign exchange profits from tourism are crucial for buying capital goods for industry, which fuels economic growth. In recent research on tourism, Kim (2006) and Arslanturk (2011) have discussed the popularity of analysing the relationship between tourism development and economic growth. Economic growth can be achieved by boosting foreign exchange reserves, promoting industrial development, creating jobs and raising income (Lee, 2008), stimulating investments in new infrastructure and human capital, and increasing competition (Blake, 2006). Finally, GDP growth could increase international tourism (Brida, 2016). All of these factors contribute to economic growth.

Mallick (2016) examined the relationship between tourism and economic growth during 14 years (1997–2011) in 23 Indian states. Strong economic growth depends on financial markets because they increase economic efficiency by directing money from wasteful to beneficial uses. This significance in financial development dates back to Schumpeter's groundbreaking research (1911). In the literature on economic growth in tourism, a thorough investigation of the relationship between tourism and economic growth through the tourism-led growth approach has remained contentious.

3. Objectives and Method

Objectives: The following are the objectives of the study;

- 1) To understand sustainable tourism in the Indian context
- 2) To study how tourism provides employment opportunities and

- 3) To analyse the economic impact of travel and tourism in India

Method: This research was conducted using the Systematic Literature Review (SLR) method, a structured, systematic, objective, and transparent method to find, evaluate, and synthesise all relevant evidence in a particular field. This research was carried out through several stages. Namely, the formulation of research questions, identification of literature, determination of inclusion and exclusion criteria, selection of literature based on titles and abstracts, and conclusion. (J. Paul et al., 2021) This article answers two research questions: (1) what is sustainable tourism, and what is the current tourism scenario? (Q1); (2) How has sustainable development led to the country's economic development? (Q2). This research question is one of the guides for researchers in determining search keywords and selecting literature used in this study. The literature search was conducted using the keywords "sustainable tourism", "economic growth", "economic development", "tourism earnings", "tourism employment", "tourism health" and "tourism recreation". Whose research results have been published in national and international journals or seminar proceedings.

4. Results and Discussion

Sustainable tourism is a form of tourism that considers the current and future economic, social, and environmental impacts of tourism. It aims to address the needs of visitors, the industry, the environment, and host communities. Sustainable tourism has to meet social, cultural, ecological, and economic requirements. It holds a long-term view for present and future generations, ethically, socially just, culturally adapted, ecologically viable, and economically sensible and productive. The Global Sustainable Tourism Criteria represent the minimum requirements any tourism business should observe to ensure the preservation and respect of the natural and cultural environment. The primary responsibilities of sustainable tourism include protecting the environment, natural resources, and wildlife; providing socio-economic benefits for communities who live in tourist destinations; conserving the cultural heritage and creating authentic tourist experiences; and bringing tourists and local communities together for mutual benefit. (UNO, 2022).

4.1 Indian Tourism Scenario

Researchers studying tourism have proposed that the newest wave of travel is based on the sustainable development paradigm, citing the growing significance of sustainable development (Macbeth, 2005). India's travel and tourism sector has benefited greatly from the country's increasing domestic traveller population. In 2021, domestic tourism in India boosted the country's economy by \$151.1 billion, according to Statista. Over the past few decades, there has been an incredible increase in domestic tourism. Two hundred twenty million domestic tourists visited in 2000. In 2018, the figure increased to 1.82 billion, nearly a nine-fold increase. The economic impact of domestic travel and tourism in India still needs to be recognised. Through initiatives like "Dekho Apna Desh," "Swadesh Darshan," and the "Incredible India" scheme to promote foreign travel, the Indian government has promoted domestic travel. International travel to India in 2021, the travel and tourism sector in India added around 178 billion dollars to the nation's gross domestic product (GDP), according to

Statista. 2017 the nation received over 10 million foreign visitors, bringing in approximately 27.31 billion dollars in foreign exchange profits. According to Statista (2023), foreign tourists make a substantial economic contribution to India.

4.2 World Tourism Scenario

Travel and tourism (including its direct, indirect, and induced consequences) were responsible for 1 in 5 new employment produced globally between 2014 and 2019, accounting for 10.3% of all jobs (334 million) and 10.4% of the global GDP (US\$ 10 trillion) in 2019. This was before the pandemic. In contrast, the amount spent by foreign tourists in 2019 was US\$ 1.9 trillion. The travel and tourism industry's 7.6% GDP contribution in 2022 was up 22% from 2021 and only 23% below 2019. There were 22 million new employees in 2022, up 7.9% from 2021 and just 11.4% less than in 2019. Spending by domestic tourists rose by 20.4% in 2022, just 14.1% less than in 2019. While expenditure by foreign visitors increased by 81.9% in 2022, it still lags 40.4% behind 2019 (WTTC, 2023).

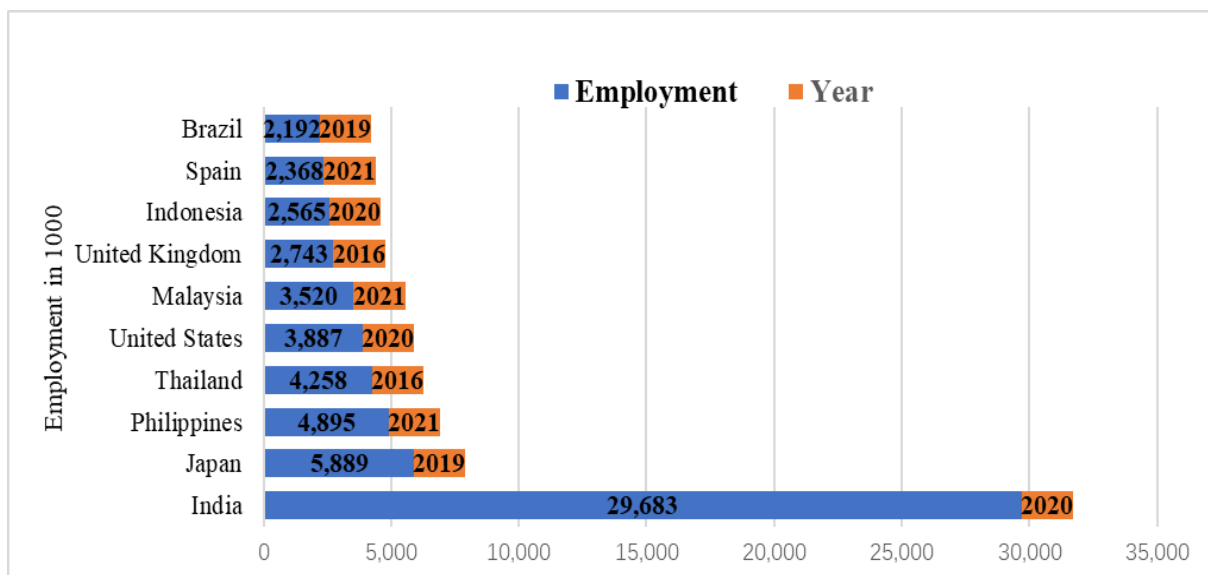


Figure 1. Total employees in the tourism industries in the top ten countries in the world — 2022

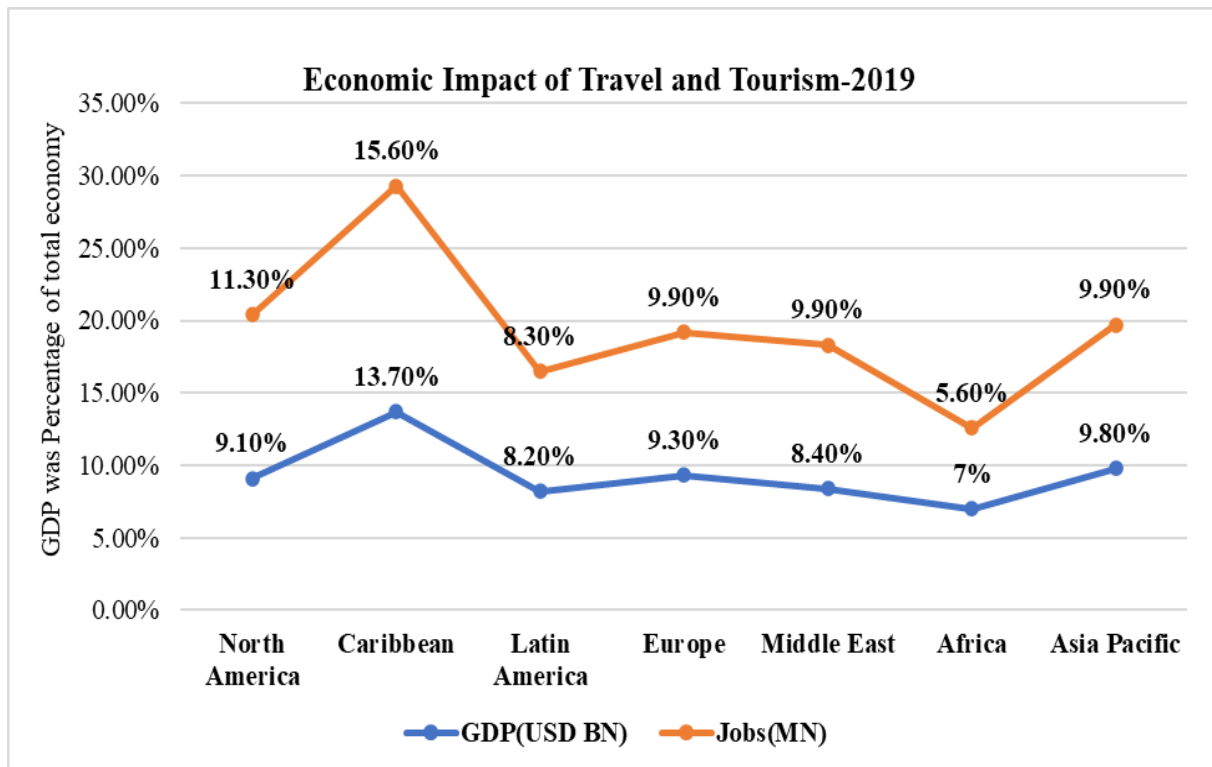


Figure 2. The economic impact of travel and tourism in various regions of the world — 2019

Figure 2 reveals the world's economic impact of travel and tourism in six regions (North America, the Caribbean, Latin America, Europe, the Middle East, Africa, and Asia Pacific). The percentage of Gross Domestic Product (GDP) in

U.S. dollars in billions for each region was earned in 2019. It also revealed that employment or job opportunities provided by the travel and tourism industry were shown as the percentage of each region in millions.

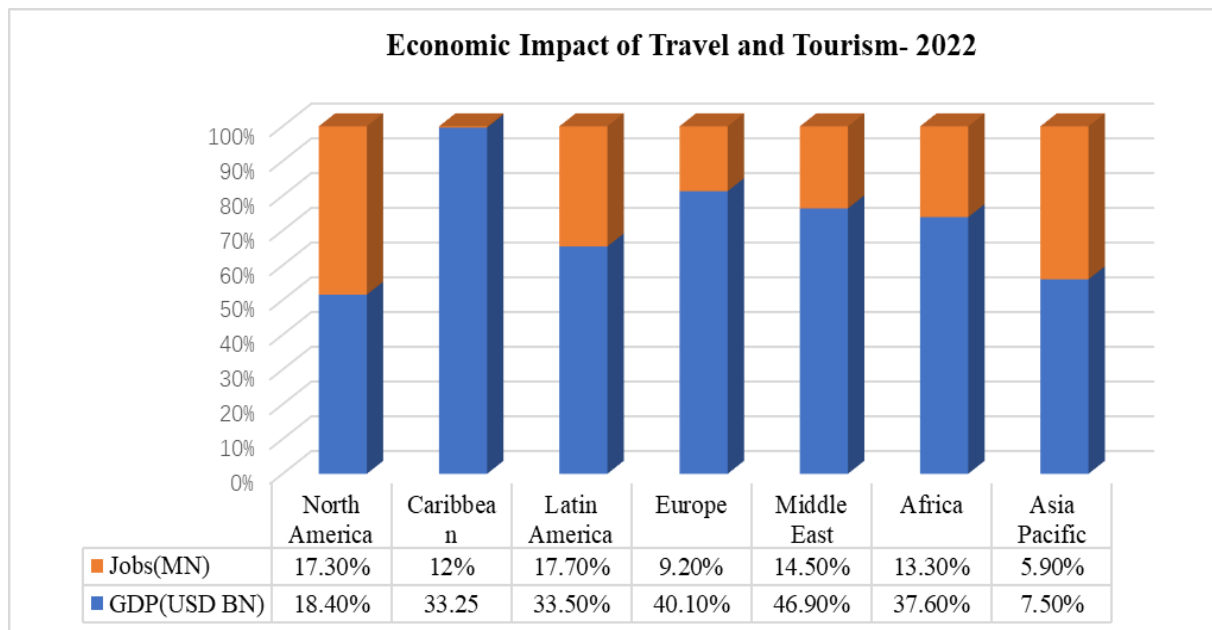


Figure 3. The economic impact of travel and tourism in various regions of the world — 2022

Figure 3 presents the world's economic impact of travel and tourism in six regions (North

America, the Caribbean, Latin America, Europe, the Middle East, Africa, and Asia Pacific). The percentage increase in Gross Domestic Product (GDP) in U.S. dollars in billions for each region was earned in 2022. It also presented that employment or job opportunities increased over the period from 2019 to 2022 by the travel and tourism industry, which was shown as the percentage of each region in millions.

4.3 *Tourism and Employment Opportunities*

India's travel and tourism sector has been expanding, generating 90 million jobs in 2023 and adding 7.3% to the nation's GDP in 2021. The Indian economy benefits significantly from tourism, creating jobs in several industries. A Business World (2023) analysis estimates that the country's tourist industry produces 12% of India's total employment. 15.34% of all jobs created in the nation in 2019–20 were related to tourism. Tourism is anticipated to generate up to 53 million employment in the nation by 2029. On the other hand, a decrease in domestic tourism during the COVID-19 pandemic has significantly more negative consequences than an increase in overseas tourism. Estimates state that throughout the three quarters, the drop in domestic tourism was 20–30 percentage points more than the decline in foreign tourism, Lal (2020).

There are primarily two ways that employment opportunities in tourism might be generated. They are as follows:

Employment possibilities directly supported by travel and tourism are referred to as direct employment opportunities. Hotels, restaurants, tour companies, tourism offices, museums, protected places like national parks, palaces, places of worship, aeroplanes, monuments, resorts, retail stores, photographers, farmhouses, and so on all offer jobs—Jobs in India (2023).

Employment opportunities supported indirectly by travel and tourism are collectively called indirect employment opportunities. For instance, companies that supply food and drink, laundry services, and other support services to the tourism sector, among others, create jobs in India (2023).

The Indian government has launched several programmes to encourage travel and job opportunities. The “Swadesh Darshan” project, which attempts to build theme-based tourist circuits around the nation, is one of the various initiatives the Ministry of Tourism has

developed to encourage tourism. Additionally, the government has supported eco-friendly travel, which would contribute to the growth of the job market in India (2023).

4.4 *Tourism and Health*

More than half a million people travel abroad for medical reasons in the twenty-first century. There is a close relationship between tourism and health. The term “health tourism” refers to travel with the primary goal of improving one's physical, mental, and spiritual well-being through wellness- and medical-focused activities that improve one's ability to meet one's needs and interact more effectively with others and their surroundings (Stainton, 2023).

Travelling for medical or health purposes has become popular and offers various medical treatments. It blends enjoyment or leisure, pleasure and rest or relaxation, perfection, and medical care (Naik, 2013). The Indian systems of medicine, i.e., some of the world's oldest medical treatment methods, include Ayurveda, Yoga, Panchakarma, Rejuvenation Therapy, and others. India can offer reasonably priced medical and health care that meets international standards. Kerala, one of the southern states of India, has established health tourism as one of its products to promote tourism there.

The Indian government has been promoting health and tourism through several initiatives. The “Swadesh Darshan” project, which intends to create theme-based tourism circuits around the nation, is one of the many tourism promotion initiatives introduced by the Ministry of Tourism (2022). In order to assist in providing more job prospects in the future, the government has also been pushing for sustainable tourism in the nation (Zhong, 2021).

The fields of travel, tourism, and health are well-established related. Marmion (2020) has long acknowledged the reasons behind early forms of tourism, which were strongly tied to concepts of wellness, health, and well-being, as well as locations or experiences that prioritised providing alleged health benefits. This post addresses the social and personal justifications for tourism in the context of perceived health and well-being in the modern day. Some people travel for explicit and predetermined health reasons, while others go more implicitly for relaxation and escape, contributing to a higher sense of well-being. To forward the goal for good health and well-being, tourism's role in

promoting health and well-being should be acknowledged if travel experiences have the potential to improve particular health indicators (Marmion, 2020). Furthermore, India is seeing a rise in the practice of health tourism. Countries, healthcare providers, and travel and hospitality companies are adjusting to meet the increasing demand by providing a more comprehensive range of medical, wellness, and health-related travel experiences (Stainton, 2023).

4.5 Tourism and Recreation Activities

India offers a broad variety of travel and leisure activities and is a country with different landscapes and civilisations. These are some of the well-liked pastimes:

Adventure tourism: One of India's most well-liked destinations for adventure travel. Adventure sports abound in the Himalayas: trekking, mountaineering, rafting, kayaking, paragliding, and skiing (2019). Hot-air ballooning, zip-lining, rock climbing, and bungee jumping are further adventure sports (2015).

Wildlife tourism: India is home to various plants and animals, and one of the most well-liked tourist activities there is wildlife viewing. Jim Corbett National Park, Ranthambore National Park, Kanha National Park, Bandhavgarh National Park, and Tourism in India are a few of the well-liked wildlife places in India (2023).

Cultural tourism: India boasts a wealth of cultural traditions, making it a popular destination for cultural tourists. The Taj Mahal, Khajuraho, Hampi, Ajanta and Ellora Caves, and Cultural Tourism in India (2023) are a few of the well-liked tourist spots for culture in India.

Religious tourism: India has many different religions, and religious travel is one of the most well-liked forms of tourism there. India's most well-known holy locations include Amritsar, Varanasi, Haridwar, and Rishikesh.

Beach tourism: Beach tourism is popular in India because of the country's extensive coastline. Goa, the Andaman and Nicobar Islands, and Lakshadweep are a few of the country's most well-liked beach resorts—tourism in India (2023).

Medical tourism: A common location for travellers seeking medical care in India. India provides reasonably priced, top-notch medical care; some of the most well-liked medical

tourism locations include Chennai, Mumbai, and Delhi—Cultural Tourism in India (2023).

5. Factors Contributing to India's Growing Sustainable Tourism Industry

In order to encourage travellers and tourism-related enterprises in the following sectors, the Indian government has established eight themes that will help advance sustainable tourism practices:

- Conserve energy.
- Conserve water.
- Refuse single-use plastic.
- Cut down on waste.
- Encourage local companies and communities.
- Honour local customs and traditions and eat food that is grown nearby.

6. Issues and Challenges that the Tourism Industry Faces

Inadequate infrastructure: India is ranked 34th in health and hygiene and 48th in ICT readiness in the WEF's Travel and Tourism Competitiveness Index, 2020. This reflects the nation's inadequate infrastructure, including uninterrupted connectivity, healthcare facilities, and transportation amenities.

Human resources and planning: The tourism industry needs many competent personnel to maintain its expansion. However, there is a need for more human resources available for the tourist sector, and there is a high need for workers in both the hospitality and tourism industries, according to Das (2011).

Inadequate digital promotion and marketing: The Indian travel industry has less digital marketing than other tourist destinations and still needs improvement.

Tax concerns: Several taxes apply to India's tourism sector, which can be perplexing and onerous for visitors, according to Das (2011).

Security concerns: One of the significant obstacles to Indian tourism is security. Indian tourism is being severely impacted by rising instances of food poisoning, terrorism, public violence, credit card fraud, theft, identity theft, and sexual exploitation of women (Das, 2011; Sarkar, 2022).

The Ministry of Tourism has identified the strategic pillars for developing sustainable tourism, including safeguarding biodiversity,

promoting economic sustainability, promoting environmental sustainability, promoting socio-cultural sustainability, developing a scheme for sustainable tourism certification, and IEC capacity building and governance MoT (2023) in order to promote sustainable tourism in India. India has long been a leader in sustainable tourism, thanks to the Incredible India campaign and the twin travel principles of Bharat Darshan and Atithi Devo Bhavah, which have gained international recognition. A comprehensive plan for attaining sustainable tourism growth has been created by the Indian government (Lalnunmawia, 2013). The strategic pillars described above MoT (2021) support the strategy centred around sustainable and responsible tourism. It was decided to draft the National Strategy for the Promotion of Tourism. These programs seek to establish a sustainable balance between visitor numbers and biodiversity conservation MoT (2023) while maintaining the natural and cultural heritage.

7. Conclusions and Suggestion

The tourism sector in India is booming at the moment, propelled by the country's expanding middle class, an increase in affluent foreign visitors, and well-planned government initiatives to showcase "Incredible India". Still, India presents several obstacles to sustainable tourism. Inadequate transportation, inadequate sanitary facilities, the disposal of campsite sewage into rivers, contaminating wildlife, livestock, and people who drink the water, deforestation, disruption of ecological life systems, and various forms of pollution are some issues facing eco-tourism in India. These issues all contribute to environmental degradation. The indigenous people of the area fight for their cultural survival and freedom of speech, which poses a threat to their way of life, as the publication underlines. India claims climate change is one of the biggest obstacles to sustainable tourism. The hospitality industry faces three sustainability challenges. In order to advance sustainably, we must first secure dependable and environmentally friendly energy sources; next, we must cut waste and avoid plastics; and last, our expansion must incorporate the local communities in which we are situated.

Both medical and adventure travel are experiencing remarkable growth. One of India's primary drivers of tourism growth is the government's policies and reforms. In order to

boost tourism and reap benefits for the job sector and the economy, further measures must be implemented. It has been noted that the travel and tourism sector's overall annual contribution to India's real GDP has a linear trend. This may be due to the significance of India's travel and tourism industry for both the public and private sectors.

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