



AN ANALYSIS OF THE ECONOMIC EFFECTS OF TOURISM: A CASE STUDY OF JHARKHAND STATE

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ABSTRACT

Tourism has been an indisputable reality of contemporary existence in recent years. It is a well-established and crucial driver of economic growth worldwide. The beneficial impacts of this include employment creation, money generating, development of multicultural connections, and fostering mutual understanding. Tourism is a potent economic driver that generates job opportunities, foreign currency inflows, income, and tax revenue. This paper aims to analyse the economic effects of tourism on the socio-economic growth and development of Jharkhand, a picturesque state in India renowned for its lush forests, diverse wildlife, stunning waterfalls, exquisite handicrafts, expansive water bodies, captivating classical and folk dances and music, and most importantly, its welcoming and peaceful population. Jharkhand is endowed with abundant biodiversity, a temperate climate, a wealth of cultural and historical legacy, religious pilgrimage sites, and ethnic elements, making it an ideal tourism destination. The tourism industry in Jharkhand has seen significant growth in recent years due to the establishment of adequate infrastructure, enhancement of existing tourist sites, creation of new destinations, and the robust expansion of the hotel and restaurant sector in the state. This is evident from the fact that there has been a rise in both local and international tourists visiting the state, resulting in an increase in tourist spending and the influx of money. Jharkhand has been more popular among international tourists in India due to its consistent development in foreign visitor numbers in recent years. Therefore, it is essential for the government to develop strategies and policies that encourage the promotion of tourism in order to achieve a steady and sustained economic development for the state.

Keywords: - Tourism, Economic, Impact, Jharkhand.

INTRODUCTION

Tourism include both foreign and domestic tourists. Tourism refers to the temporary relocation of individuals to locations beyond their usual area of employment and housing. This industry has the capacity to provide work opportunities to a diverse range of individuals seeking jobs, ranging from those without specific skills to those with specialised expertise, even in distant areas of the nation. Tourism has emerged as a significant socio-economic endeavour due to its vast potential for fostering economic growth in certain regions. Ziffer defines tourism as the act of visiting to natural regions that are largely untouched or free from pollution, with the purpose of learning, appreciating, and enjoying the beauty, wildlife, and plant life, as well as any cultural features present in these locations. The tourist sector, in contrast to several other industries, has multiple service providers. The tourism sector is experiencing rapid growth and is among the fastest-growing businesses globally. The global tourist population has been steadily rising and is projected to reach 1.5 billion in the near future. The tourism sector accounts for around 11% of the worldwide labour force and provides 10.2% to the overall global gross domestic product. The significance of this business is apparent from the fact that a new job is being added to this sector at a rate of one position every 2.5 seconds. In India, travellers are drawn to temple towns, historical sites, and coastal beaches. However, in recent times, there has been a transformation in the nature of tourism. The significance of nature, heritage, and leisure attractions is increasing. In recent times, eco-tourism has emerged as a prominent draw for travellers. Tourism in India has acquired significant economic significance and is seeing tremendous growth. In 2015, tourism contributed Rs.8.31 lakh Crore, equivalent to 6.3% of the country's GDP. Additionally, it provided employment to 37.315 million people, accounting for 8.7% of the entire workforce. According to predictions, the industry is expected to see a compound annual growth rate of 7.5% and is projected to earn Rs. 8.36 lakh Crore by 2025, which would account for 7.2% of the GDP. In 2015, India welcomed around 8.02 million international visitors, which marked a growth rate of 4.4%. This was compared to the 7.68 million tourists in 2014, which had a growth rate of 10.2% compared to 2013. In 2012, the total number of domestic visitors that visited all states and Union Territories was 1036.35 million, representing a growth of 16.5% compared to the previous year. India was the 16th highest earner in terms of tourist earnings globally in 2012, and ranked 7th among nations in the Asian and Pacific region. Jharkhand is a state that has a significant cultural legacy and is abundantly blessed with the gifts of nature. The state is characterised by its stunning natural landscapes, including verdant forests, fascinating wildlife, and breathtaking waterfalls. It is also known for its excellent handicrafts, expansive water bodies, and engaging classical and folk dances and music. Furthermore, the people of the state are renowned for their hospitality and peaceful nature. Jharkhand is endowed with abundant biodiversity, pleasant temperature, significant cultural and historical legacy, religious pilgrimage sites, and ethnic characteristics, making it a highly sought-after tourism destination. The tourism industry in Jharkhand has seen significant growth in recent years due to the expansion of infrastructure, enhancement of existing tourist sites, establishment of new destinations, and the increase in the number of hotels and restaurants in the state. Chief Minister Hemant Soren announced the implementation of the policy on Saturday, highlighting its focus on employment, economic growth, and the sustainable development and preservation of art, culture, and history. Jharkhand has always been regarded as a repository of minerals since the period of British colonial control. It

has served as a hub for mineral extraction. However, the lack of progress among the aboriginal population in the state is not unexpected. "Through this policy, they are transitioning our focus from extraction to attraction," Soren said. The new strategy covers several aspects including religious, ecological, cultural, rural, adventure, wellness, and mining tourism. Additionally, it seeks to establish tourist economic zones and a tourism development board, while also enhancing the Jharkhand tourist Development Corporation. Jharkhand Development Commissioner Arun Kumar Singh emphasised the potential for eco-tourism, stating that individuals have the opportunity to unwind and rejuvenate themselves among the lush woods. Jharkhand has exceptional infrastructure, with two airports located in Dhanbad and Deoghar. Furthermore, the region is free from any safety or security concerns. One important approach emphasised in the new policy is to implement public awareness campaigns, specifically targeting tribal communities. Additionally, the policy aims to arrange buyer-seller meetings to promote tourist goods and provide training to stakeholders in the areas of tourism promotion, marketing, and associated services.

Table 1: - Tourism places in Jharkhand

<i>S. No.</i>	<i>Places</i>	<i>District/Town</i>
1.	Baba Baidyanath Dham	Deoghar
2.	Luguburu Phar	Bokaro
3.	Deori Mandir	Ranchi
4.	Sunrise in Netarhat	Latehar
5.	Lodh Falls	Latehar
6.	Baba Basukinath Dham	Dumka
7.	Jonha Falls	Ranchi
8.	Palamau Tiger Reserve	Jharkhand
9.	Chandil Dam	Jamshedpur
10.	Parasanath	Giridih
11.	Swami Vivekanada Statue	Ranchi
12.	Maa Chhina Mastika Mandir	Ramgarh
13.	Palkot	Gumla
14.	Hundru Falls	Ranchi
15.	Dalma Wildlife Sanctuary	Jamshedpur
16.	Tagore Hill	Ranchi
17.	Sita Falls	Ranchi
18.	Masanjore Dam	Dumka

19.	Bhadrakali Mandir	Chatra
20.	Jami Masjid	Sahibganj
21.	Nakta Pahad	Mccluskieganj
22.	Tilaiya Dam	Koderma
23.	Patratu Dam	Ramgarh
24.	Patratu Resort	Ramgarh
25.	Tenughat Dam	Bokaro
26.	Chhau Dance	Seraikela-Kharsawan
27.	Saranda Forest	West Singhbhum
28.	Jagannath Temple	Ranchi
29.	Patratu Velley	Ranchi
30.	Jubilee Park	Jamshedpur
31.	Maluti Temple	Dumka
32.	Paragliding Khandoli	Giridih
33.	Moti Jharna	Sahibganj

REVIEW OF LITERATURE

Prajapati et al. (2017), Tourism has been an unmistakable and prominent aspect of contemporary society in recent years. It is a well-established and influential driver of economic growth worldwide. The beneficial impacts of this include employment creation, money generating, development of multicultural connections, and fostering mutual understanding. Tourism is a potent economic driver that generates job opportunities, foreign currency inflows, income, and tax revenue. This paper aims to analyse the economic effects of tourism in relation to the socio-economic growth and development of Jharkhand, a picturesque state in India renowned for its abundant forests, captivating wildlife, stunning waterfalls, exquisite handicrafts, expansive water bodies, enchanting classical and folk dances and music, and most importantly, its welcoming and peaceful inhabitants. Jharkhand has abundant biodiversity, a temperate climate, a wealth of cultural and historical legacy, religious pilgrimage sites, and ethnic characteristics, making it an ideal tourism destination. The tourism industry in Jharkhand has seen significant growth in recent years due to the establishment of adequate infrastructure, enhancement of existing tourist sites, creation of new tourist attractions, and the robust expansion of the hotel and restaurant sector in the state. This is evident from the fact that there has been a rise in both local and international visitor arrivals to the state, resulting in an increase in tourist spending and the influx of money. Jharkhand has been more popular among foreign tourists in India, with the state seeing a remarkable surge of almost 360% in terms of international visitors between 2010 and 2011. Therefore, it is

essential for the government to develop strategies and regulations that encourage the development of tourism in order to achieve a steady and sustainable expansion of the state.

Ahmad & Hussain (2017), Tourism is a crucial economic driver for several areas and nations, and India is not an exception. It has a direct impact on several aspects of a nation's society, including social, cultural, educational, and economic sectors, as well as foreign relations. Tourism generates substantial revenue for the local economy via the purchase of products and services by visitors. It is an effective method of redistributing wealth from affluent areas to impoverished ones, especially in the age of economic liberalisation and globalisation. Additionally, it also generates job prospects in the service industry of the economy linked to tourism. India has seen significant and rapid expansion in its tourism industry in recent years. Hazaribagh, located in the state of Jharkhand, has emerged as a highly sought-after destination for both local and international travellers. Jharkhand, particularly Hazaribagh, is rich in natural and cultural assets, but has historically lacked development and exploration. In addition to these factors, the region has the potential to draw visitors due to its abundance of art and craft, as well as several tribal festivities. This research analyses the growth prospects of tourism in Hazaribagh. It also examines how the growth of tourism in Hazaribagh might have economic and social benefits for the disadvantaged population, namely the tribal people of the area.

Kumar & Mishra (2018), the research study findings highlight that Jharkhand is renowned for its tribal culture and the distinctiveness of its intrinsic natural beauty, which greatly contributes to the Tourism Industry of Jharkhand. The tourist influx in the state of Jharkhand has resulted in noticeable changes and significant effects on the socio-economic factors. The state's intrinsic beauty and natural features have contributed to its popularity as a tourist destination. The allure of significant tourist destinations primarily depends around domestic tourism. The article aims to determine the influence of several characteristics of tourism, such as economic development, cost of living, infrastructure development, socio-cultural factors, and the environment. This will be done by analysing primary data acquired from the people of six major tourist circuits in Jharkhand. The respondent's perspectives were determined using a five-point Likert Scale. The collected data was analysed to determine the influence of different tourism characteristics on the potential of Jharkhand Tourism.

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OBJECTIVES OF THE STUDY

The objectives of this research are as follows:

- To examine the present state of tourism in Jharkhand.
- To assess the economic impact of tourism on the development of Jharkhand.
- To evaluate the existing tourist policies implemented by the Jharkhand government.

RESEARCH METHODOLOGY

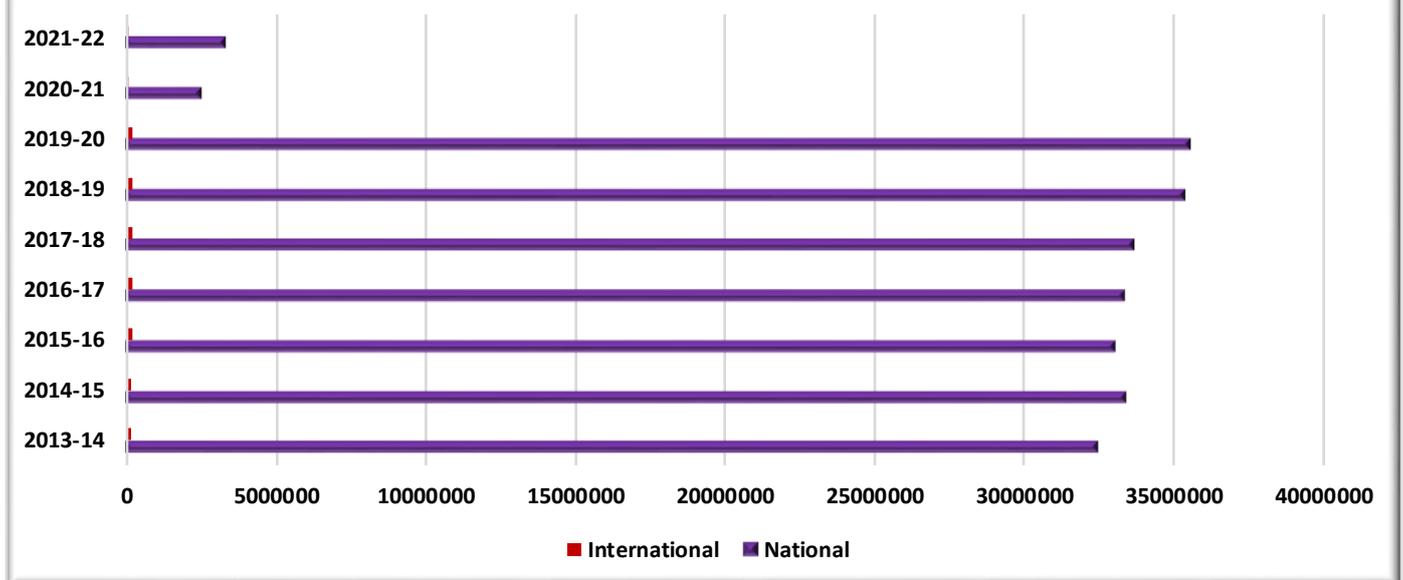
The rationale for the study and its intended goal suggest that the study should be conducted as descriptive research, since the primary aim of this form of research is to provide a detailed account of the existing state of affairs. The current research relies only on the acquisition of secondary data. The data was gathered from many sources, including the forest office, books, relevant research papers, journals, newspapers, and government-published reports and regulations.

TOURIST INFLOW IN JHARKHAND

Table 2: - Year wise tourist inflow in Jharkhand

Year	National	International	Total
2013-14	32477676	133664	32611340
2014-15	33427144	154731	33581875
2015-16	33079550	167855	33247405
2016-17	33389286	169442	33558728
2017-18	33723185	170987	33894172
2018-19	35408822	175801	35584623
2019-20	35580768	176043	35756811
2020-21	2574704	490	2575194
2021-22	3383642	1637	3385279
CAGR 2013 to 2019	1.53	4.7	1.55

Source: The Department of Tourism, GoJ and Ministry of Tourism, GoI

Graph 1: - Year wise tourist inflow in Jharkhand

There is a slow but steady growth in the footfall of domestic and international tourists in the state. The international tourists though constitute only 0.5 per cent of the total tourists in the state, has grown at a faster rate than the national tourists. Between the years 2013 and 2019, the number of domestic tourists grew at an average annual rate (CAGR) of 1.5 per cent while the number of international tourists grew at the average annual rate (CAGR) of 4.7 per cent. The year 2020 saw a fall in the number of both the national and the international tourists owing to the COVID-19 pandemic and the consequent travel restrictions. The number of domestic tourists decreased by 92.8 per cent and the number of international tourists by 99.7 per cent in the year 2020. Nonetheless, the state witnessed a footfall of nearly 2.6 lakh tourists, including international tourists. The year 2021 has witnessed the tourism industry getting back on its track with the relaxation of COVID-19 related restrictions and a subsequent increase in the numbers of national and international tourists. The number of national tourists increased by 31.4 per cent and the number of international tourists increased by 234.1 per cent in the year 2021.

STRATEGIES FOR PROMOTING TOURISM DEVELOPMENT IN JHARKHAND

Tourism Policy and Land: According to the Jharkhand tourist Policy, 2021, all Government lands designated for promoting tourist development activities would be allocated to the Industrial Area Development Authorities under the Department of Industries. The Industrial Area Development Authorities will enhance and enlarge its inventory of land by identifying infertile, non-irrigated land and unused property owned by government agencies and enterprises within their respective regions. The allocation of government land to tourist units will be based on the availability and policies of the Department of Revenue, Registration & Land Reforms of the state. The Department of tourism would also oversee land acquisition and supervise and speed the process. The aim is to take necessary measures to provide employment possibilities to those impacted by land acquisition and to create a maximum number of job prospects for the local youth via suitable training and skill enhancement.

Tourism and Road Transport: The Tourism Policy prioritises the development and building of roads, as well as the maintenance and repair of existing highways, to enable easy access to tourist attractions of significance. The government's objective is to provide a high-performing road infrastructure integrated with contemporary tourism amenities, in order to link the significant pilgrimage and tourist sites within the state. A comprehensive strategy is being developed to enhance the infrastructure along significant pilgrimage routes. This plan will be executed within a certain timeframe. In addition, routes connecting significant tourist locations will be furnished with gas stations, auto repair shops, snack centres, lavatory facilities, medical services, parking facilities and so on. Private sector involvement is also being promoted for this objective. The state also strives to provide sufficient assistance to enhance transport services in order to meet the requirements of different types of visitors. There is a push to incentivize investment from the business sector. The Regional Transport Authorities (RTAs) would provide road licences generously to tour operators/aggregators for the operation of high-end coaches and vehicles with air conditioning on designated tourist routes. Promotion of three-wheeler operation and automobile van rental business will also be fostered. Tourist taxis/aggregators operated by private enterprises must adhere to the regulations set by the transport department and use metres. The rates would be determined based on the distance travelled between two specific points. Auto rickshaws will also be equipped with metres. In addition, efforts are being made to secure the assistance of banks and financial organisations to encourage investment in the tourist transport services sector. The Road Construction Department will construct roads that are not within its control after receiving a 'No Objection Certificate' from the relevant departments. The Department of Tourism, Art, Culture, Sports, and Youth Affairs will give the necessary funds.

Tourism and Air Connectivity: The Tourism Policy recognises the importance of air connectivity in recruiting investors and stimulating economic operations and tourism. The state Government strives to establish linkages with key cities throughout the nation. Efforts should be made to promote air taxi services connecting Ranchi, Jamshedpur, Deoghar, Bokaro, Dhanbad, Palamu, Dumka, and other locations. The state government is now focused on enhancing and enhancing the air strips situated in Jharkhand. The air strips will be upgraded in a favourable way and made available for use by private air taxi companies for a fee. The current nominal rate for fees/charges associated with the use of state-owned landing facilities will remain unchanged for the next five years or until the end of the policy term, whichever comes first. Oil firms and aeroplane operators would be given the necessary resources to develop refuelling stations for their operations.

Tourism and Rail Transport: The state Government is actively seeking the Union Ministry of Railways to expand the railway network in Jharkhand and establish train connections to significant destinations outside the state, including high-speed and luxurious train services. Additionally, it aims to exert endeavours to successfully finish the ongoing railway projects inside the state.

Tourism and Power: Electricity is a crucial factor in the development of tourism in any region. Therefore, the government's objective is to provide electricity of high quality at a reasonable price. The objective is to provide financial advantages to tourist establishments, regardless of whether they are publicly or privately

owned. The tourist Policy, 2021, promotes the use of alternative energy sources, such as solar power, wind power, biomass gas power, geothermal energy, etc., in different tourist sites.

Tourism and Private Sector Participation: The 2021 tourist Policy recognises the private sector as a significant participant in the development of the tourist industry. An alliance that is both productive and advantageous between the public and commercial sectors is being encouraged to guarantee the continuous expansion of the tourist industry. Efforts are being made to promote the formation of partnerships via several models such as BOT (Build Operate-Transfer), BOOT (Build, Own Operate Transfer), BLT (Built Lease Transfer), and others. The government intends to allow private operators to manage non-core services at airports, railway stations and inter-state bus terminals. These activities include cleaning and maintenance, baggage transportation and car parking facilities. The goal is to enhance efficiency and profitability in performance.

Tourism and Foreign Direct Investment (FDI): Due to the substantial financial resources needed in the tourist industry and the need of maintaining excellent service standards, the government has designated tourism-related businesses as a priority for foreign investment. Hotels, travel brokers, tour operators, and tourist transport companies have been granted export house status. The state Government intends to provide extensive aid and backing to attract foreign direct investment for the construction and upkeep of the tourist infrastructure and amenities in the state. The promotion of foreign investments and technology partnerships from Overseas Corporate Bodies (OCB) and Non-Resident Indians (NRI) is also being actively promoted in the tourist sector.

CONCLUSION

A significant part of Jharkhand's economy is the tourist industry. Being a labour-intensive industry, tourism has the potential to create many jobs in the hospitality, transportation, retail, dining, and entertainment sectors, among others. Therefore, this industry may be able to raise the income level of the poor, which in turn will alleviate their poverty. Actually, one way to look at tourism in Jharkhand is as a tool for the state's long-term economic development. Researchers in Jharkhand set out to answer this question by studying the impact of tourism on the state's GDP. The tourism business has grown into the biggest in the world, thanks to its many sub-industries. A significant economic and social phenomenon of the past three to four decades has been the tremendous expansion of tourism. The economic and social fabric of the host community and economy are profoundly affected by tourism. The effects of tourism on employment extend beyond the industries where visitors spend their hard-earned cash, such restaurants, hotels, and airlines. Through a process known as the "multiplier effect," businesses that cater to visitors end up hiring people from other industries whose products and services they purchase. In light of the gaps in tourism's planning, provision, positioning, and marketing, as well as the emerging image of the industry's potential and associated employment, it is clear that both macro and micro level interventions are necessary. The country's tourist sector functions within the context of its macroeconomic policy framework, which is why macro measures are necessary. Spatial planning, efficient provision, and promotion of tourist sites are examples of micro interventions. Also, all tourist hotspots need to have their air and surface connections upgraded, which will take some extra steps. And must pay particular

attention to environmental challenges and the precarious state of eco-systems. Raising the number of women working in the tourist sector is another important goal that needs immediate focus. Business owners and managers should promote women to pursue careers outside of their usual fields of expertise, provide opportunities for women to advance in their careers, and promote from within. In conclusion, Jharkhand's tourist industry has enormous untapped potential to boost the state's economy and social fabric, create jobs, and bring in substantial amounts of foreign currency. They have accomplished a lot by expanding the capacity of aeroplane seats, enhancing the accessibility of trains and railways to popular tourist spots, constructing four-lane highways that link major tourist hubs, and expanding the supply of lodging options by introducing heritage hotels to the market and promoting paid guest stays. Still, a great deal of work has to be done. Jharkhand needs the full support of the federal and state governments, the business sector, and nonprofits if it wants to become a major player in the global tourist industry. This is because tourism is multi-faceted and primarily a service industry.

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