Volume : 2 | Issue : 5 | May 2013 • ISSN No 2277 - 8160

Research Paper | Economics

Tourism and Economic Development: A Case Study of Assam

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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). Assam 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. Assam has vast potential for tourism. The paper tries to highlight the potential of tourism in fostering economic development. It also attempts to study the trends in the flow of tourists to Assam 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 Assam.

KEYWORDS: Tourism, Economic development, flow of tourists

I.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

Assam 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. Assam has vast potential for tourism.

II. OBJECTIVES OF THE PAPER

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

III. 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- an array of festivals and range of colourful handlooms(Sualkuchi) and handicrafts.
4. Pilgrim Tourism-temples at Kamakhya etc.
5. Adventure Tourism- river rafting, mountaineering, trekking unexplored terrain.
6. Golf Tourism.
7. Heritage Tourism-tribal festivals.
8. Wildlife Tourism-wildlife sanctuaries, national parks etc.
9. Tea Tourism-over 1000 lush green tea-gardens

IV. 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 Assam and the revenue collected by these tourist lodges of Assam during 1996-97 to 2009-10 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- Number of Tourist Staying at Tourist Lodges in Assam and Revenue Collected by the Tourist Lodges:

Year	Domestic	Foreigner	Total	Revenue(Rs)
1996-1997	7,37,793	5,752	7,43,545	36,87,958.00
1997-1998	8,93,902	3,208	8,97,110	34,72,396.00
1998-1999	7,71,596	4,322	7,75,889	40,56,888.00
1999-2000	9,81,985	6,344	9,88,329	31,72,666.00
2000-2001	9,61,954	6,490	9,68,444	35,87,224.00
2001-2002	16,90,672	5,210	16,95,882	38,88,841.00
2002-2003	20,02,455	7,028	20,09,483	41,03,051.00
2003-2004	20,30,107	6,845	20,36,952	60,44,642.00
2004-2005	21,86,240	9,365	21,95,605	69,02,443.00
2005-2006	25,86,428	8,309	25,94,737	87,11,185.00
2006-2007	34,79,870	13,657	34,93,527	81,29,651.00
2007-2008	34,89,814	13,799	35,03,613	94,99,820.00
2008-2009	36,98,706	14,533	37,13,239	1,03,91,516.00
2009-2010	38,95,525	14,699	39,10,224	1,31,63,299.00

Source: Directorate of Tourism, Government of Assam

The growth trend of foreign tourist influx reveals that the growth has maintained an increasing trend. It is however to be noted that the rise has been comparatively at a lower level than that of domestic tourist influx. The improvement in tourist spots has definitely helped in capturing more foreign visitors. Kaziranga still remains a favorite tourist destination for them. However further improvements are required in the tourist spots to increase their number.

b. Tourist Influx in National Parks and Wild Life Sanctuaries and Revenue Collected-

The revenue contribution of National park & wildlife sanctuaries in Assam during the period 2005-06 to 2009-10 has been presented below. It can be observed from the table that the number of domestic and foreign tourist influx into the wildlife sanctuaries has increased over the period which has led to an increase in revenue generation in the same period.

Table 2 - Revenue contribution of National park & wildlife sanctuaries in Assam (in rupees)

Year	Kaziranga	Orang (Rajiv Gandhi National Park)	Dibru-saikho-wa	Nameri	Pabitora	Total
2005-06	761169 (72.70)	135520 (12.94)	36305 (3.47)	12745 (1.22)	101230 (9.67)	1046969 (100)
2006-07	7980949 (90.28)	274815 (3.11)	50788 (0.57)	160197 (1.81)	373130 (4.22)	8839879 (100)
2007-08	8734185 (87.23)	278550 (2.78)	45440 (0.45)	303728 (3.03)	650560 (6.50)	10012463 (100)
2008-09	11220698 (87.49)	257015 (2.00)	70300 (0.55)	323505 (2.52)	954160 (7.44)	12825678 (100)
2009-10	12167974 (85.5)	311030 (2.19)	61395 (0.43)	263132 (1.85)	1428170 (10.03)	14231701 (100)

Figures in brackets represent percentage.

Source: Office of PCCF, Wild Life, Deptt. Of Environment and Forests, Government of Assam.

Note: Data are not available for Manas.

It is apparent that Kaziranga has been contributing the highest percentage of revenue to the total revenue generated in the tourism sector in Assam over the period 2005-06 to 2009-10. At the same time, the contributions by the others like Orang, Dibru-Saikhowa, Nameri and Bherjan-Borajan-Podumoni are quite negligible. They seem to be lagging far behind in the scene. While in 2009-10, Kaziranga contributes more than 85 percent to the total revenue, the others have contributed less than 3 percent in the same period.

Table 3 Growth Rate of Revenue

Name of the park/ sanctuaries	Year	Growth rate (percent per annum)
Kaziranga	2005-06 to 2009-10	0.117
Orang	2005-06 to 2009-10	0.207
Dibrusaikhowa	2005-06 to 2009-10	0.13
Nameri	2005-06 to 2009-10	0.76
Pabitara	2005-06 to 2009-10	0.66

Source: PCCF, Wild Life, Deptt. Of Environment and Forests, Government of Assam

The above table presents the Growth rates of revenue of the different parks and sanctuaries of the state. The growth rates present a slightly different picture than one would assume to be. This is because the growth rate of revenue is highest for Nameri followed by Orang and Dibrusaikhowa, while Kaziranga has a lower growth rate of 0.117. This implies that the revenue contribution of Kaziranga has been lower than the others in relative terms.

Table 4 Growth rates of tourist influx

Name of the park/ sanctuaries	year	Growth rate (percent per annum)	
		Domestic	Foreigner
Kaziranga	2005-06 to 2009-10	0.19	2.09
Orang	2005-06 to 2009-10	0.14	0.24
Dibrusaikhowa	2005-06 to 2009-10	0.42	-0.05
Nameri	2005-06 to 2009-10	0.20	-0.013
Pobitara	2005-06 to 2009-10	0.57	-
Pobitara	2006-07 to 2009-10	-	0.71

Source: PCCF, Wild Life, Deptt. Of Environment and Forests, Government of Assam

In case of foreign tourist the growth rate is seen to be highest in Kaziranga followed by Orang. At the same time the growth rates are negative for Dibru-Saikhowa and Nameri, which means that there has been a decline in the number of foreign tourist coming to these two national parks over the period 2005-06 to 2009-10. It has been followed by Dibrusaikhowa. The growth for the period under discussion is the highest in case of Kaziranga followed by Pobitora.

V.CONTRIBUTION OF TOURISM IN OBTAINING 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 Assam 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 Assam 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 Assam. Also the infrastructure agencies pay an important role in integrating tourism enterprises into global tourism markets.

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

VI. 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 Assam'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.
- Enhancement of the role of media in promoting tourism.
- States to identify inter-state circuits for relaxing Restricted Area Permit(RAP) regime.

VII. 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 Assam.

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