



## ROLE OF TOURISM AND ECONOMIC DEVELOPMENT IN KARNATAKA

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### ABSTRACT

*Indian tourism sector is one of the most important service sectors of the Indian economy. Tourism 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. As per WTTC's (World Travel Tourist Contributions) Economic Impact 2018 – India report, travel and tourism contributes to 9.2% of India's total GDP. Karnataka has seen immense growth in domestic tourist visits, growing from 36.7 million in 2006 to 215.03 million in 2018. The State attracts nearly 12% of overall domestic tourist visits in India; Karnataka's tourism sector contributed 14.8% of the State's Gross State Domestic Product (GSDP) and provided for over 30 lakhs jobs. The main objective of the paper is to study the relationship between Tourism Development and Employment Growth in Karnataka and role of tourism and economic development in Karnataka. This paper has used the data collected from secondary sources. This paper reveals the increase in the tourist arrivals have resulted in the rapid growth of tourism sector in Karnataka. The growth of tourism sector has resulted in employment generation, socio-economic growth, increasing in the contribution to GDP and it's improve the sustainable and inclusive economic growth of the state*

Key words: GDP, Employment, Socio economic ,



## **INTRODUCTION**

Tourism has emerged as one of the largest industries and a key economic driver across the world. The World Travel and Tourism Council (WTTC) in its annual research revealed that in 2018, travel and tourism accounted for 10.4% of the global GDP and 319 million jobs, i.e., 10% of total employment worldwide. A vibrant tourism sector is an important indicator of a healthy economy. Tourism has an important role in achieving the 17 Sustainable Development Goals (SDGs) set by the United Nations.

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 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.

## **MEANING OF TOURISM**

The World Tourism Organization define tourist as "people travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purpose". Tourism is a travel for recreational, leisure, business and education purposes. According to Webster dictionary tour means a journey at which one returned to the starting point a circular trip usually for business, pleasure or education during which various places are visited and for which usually planned

## **REVIEW OF LITERATURE**

**Santhosh Kumar S and Raveendra P. V (2016)** Study on "Impact of Tourism Industry on Hotel Industry in Karnataka State" The study objective is that identify the relationship between type of facilities and type of traveller and relationship between the type of hotel and reason for their stay. The methodology of study describes the procedure for gathering valid and reliable data for the purpose of investigation. The interrelationship between



tourism and hotel industry is also evident in the form of facilities sought by the tourists in Karnataka tourism industry impacts positively the revenue generation paving way to economic development.

**Lakshmi P and Manjunath S J (2014)** examine the “An Empirical study on Tourism Policy in Karnataka” Objective of the study is to tourism policy 2009 – 2014 for the improvement of tourism sector within the state and suggestions to make Karnataka tourism policy more effective. study highlighted the Karnataka Tourism Policy has the main aim of attracting more number of both domestic and foreign tourists which increases the revenue to Government as well as economic development of the state. Thus, policies framed should take care of fulfilling the responsibility in developing tourism sector in a proper direction and the forthcoming policy would even more support the tourism development then the present policy 2009-2014.

**MandeepKaur andNitasha Sharma(2011)** Revealed that “Growth and Development of Indian Tourism Industry” To study the growth and development of tourism industry and the contribution of tourism sector in GDP and employment in India. The study reveals that Tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange too besides giving a support to the country’s overall economic and social development.

**Seema Choudhary and Yadav S. B.( 2018)** Study the “Role of Tourism in Economic Development of Rajasthan” Objective of the study is that examine the factors influencing the growth of tourism and the contribution of tourism in Rajasthan economy. The information in the study is collected from secondary sources. Study concluded the total number of foreign tourist arrivals in the state has increased. It showed an increasing trend except few years during the study period. Though it is true that the state government is giving concentration both on the development of the tourism and activities related to tourism industry in Rajasthan

**Vivekanand A. Mane and Hundekar S.G. (2017)** examined the “Scope, Importance, Challenges and Problems of Medical Tourism in Northern Karnataka” Study objective is that the status of medical tourism in Northern Karnataka and potential and growth and problems of medical tourism in Northern Karnataka. Study highlighted the Northern Karnataka is in an advantageous position to tap the global opportunities in the medical tourism sector. The



government's role is crucial to the development of medical tourism. The government should take steps in the role of a regulator and also as a facilitator of private investment in healthcare..

**Dayananda.K.C (2014)**study on "Tourism and Employment: Opportunities and Challenges in Karnataka- Special Reference To Kodagu District" The objective of the study is that To Study the Tourism Development Policy of the State and causality between Tourism Development and Economic Growth in Karnataka and Kodagu District. study concludes that Kodagu has great opportunities for tourism development, thus creating large scale employment opportunities, generating income, improving standard of living and contributing for economic development of the nation.

**Dayananda.K.Cand Leelavathi D.S. (2016)**Study reveals the "Tourism Development and Economic Growth in India" Tourism industry acts as a powerful agent of both economic and social changes. It stimulates employment and investment, alters structure of an economy. In developing countries like India tourism has become one of the major sectors of the economy, contributing to a large proportion of the National Income and generating huge employment opportunities. It has become the fastest growing service industry in the country with great potentials for its further expansion and diversification.

### **Statement of Problem**

The tourism sector is one of the fast growing service sectors in the world. So tourism is very important in the any of the country and after reviewing the literature it is found that most of the studies have been done by study on tourism and economic growth in India. Some of the other studies have been done by Tourism Policy in Karnataka, Tourism and its opportunities and challenges and medical tourism in India, Tourism and its impact on hotel industry but few studies have been done on **Tourism and economic development in Karnataka**. There is hardly any work on **Role of Tourism and economic development in Karnataka**.

Objective of the Study:

1. To know the status of Karnataka tourism industry.
2. To examine the relationship between Tourism Development and Employment Growth in Karnataka.



3. To study the role of tourism and economic development in Karnataka

## **METHODOLOGY**

The study based on the secondary sources of data. The secondary data has been collected from World tourism organisation (WTO), Ministry of tourism, Karnataka state tourism development corporation (KSTDC), Invest Karnataka report , Incredible India report, Tourism policy Karnataka 2020-25, journals, articles, papers .

## **SCOPE OF THE STUDY:**

To study the impact it is necessary to define the scope of the study. The study focuses on the factors like revenue generation, infrastructural development and employment generation in Karnataka. To define the geographical scope of the study the researcher has taken selected areas of tourism destinations in Karnataka. This study an attempt to find out the impact of tourism on Karnataka economy .This study is based on secondary data .The study is limited to Karnataka.

### **Tourism in Karnataka**

Tourism and its allied sectors of travel and hospitality have emerged as key drivers of growth among the service sectors of India. As per WTTC's Economic Impact 2018 – India report, travel and tourism contributes to 9.2% of India's total GDP, positioning the country as 3rd among 185 countries in terms of the sector's overall contribution to the economy.

The Government of Karnataka acknowledges the importance of tourism sector and has identified it as a priority sector of the State. Karnataka has seen immense growth in domestic tourist visits, growing from 36.7 million in 2006 to 215.03 million in 2018. The State attracts nearly 12% of overall domestic tourist visits in India, placing it third among Indian states. Karnataka also saw over 5.4 lakh foreign tourist arrivals in 2018, ranking the State 11th for Foreign Tourist Arrivals (FTAs) in India. In 2019, Karnataka's tourism sector contributed 14.8% of the State's Gross State Domestic Product(GSDP) and provided for over 30 lakhs jobs.

Karnataka state is also known as the 'Cradle of Stone Architecture'. The state of Karnataka is one of the top ten domestic tourism destinations in India. The state has various



tourism assets such as beaches, hill stations, heritage monuments, national parks, wild life sanctuaries etc. Given the variety of the tourism assets, the state is promoted under the tagline “One state, many worlds”.

The topography of Karnataka is largely a reflection of the geology of the State. The sahyadris are covered with evergreen forests. They drop abruptly towards the Arabia Sea, thus forming a natural barrier between the plateau and the coastal region. Four passes provide access to the coast. They are SubramanyaGhat, CharmadiGhat, ShiradiGhat, and famous AgumbeGhat. The Western Ghats slope gently towards the Bay of Bengal. This is the plateau region drained by the two principal rivers Krishna and Kaveri. The average elevation of the plateau is about 610 meters above sea level.

Karnataka is manifold attraction includes everything that interests the visitors. The wild life sanctuaries at Bandipur, Nagarhole and Dandelli, the RanganatittuBird’s sanctuary 5 km from Srirangapatna which is itself a well known tourist center., hill stations like Nandi hills and Kemmannagundi and Mercara, Beach resorts like Karwar, Ullal, Malpe, Maravanthe, the world famous Brindavana Garden at Krishnarajasagara, Monolithis statue of Gommateshwara at Shravanabelagoala, GolGumbaz with its whispering gallery at Bijapur, the Jog falls and other waterfalls at ShivanaSamudra, Magod,Unchelli, Halguli at Yallapur, Abbi falls at Madikeri and other places indicates the variety and richness of the attraction at Karnataka state holds out the visitors.

**Table.1: Foreign (FTAs) and Domestic tourist (DTAs) arrivals in Karnataka**

Year	Foreign	Domestic	Total	Percentage change
2009	5,29,847	3,27,29,679	3,32,59,526	0.00
2010	5,24,573	3,82,02,077	3,87,26,650	<b>0.14</b>
2011	5,74,005	8,41,07,390	8,46,81,395	<b>0.54</b>
2012	5,95,359	9,46,80,534	9,52,75,893	<b>0.11</b>
2013	6,36,378	9,80,10,140	9,86,09,555	<b>0.03</b>
2014	5,61,870	11,82,83,220	11,88,45,090	<b>0.17</b>
2015	5,24,152	10,12,34,243	10,17,58,395	<b>-0.16</b>



2016	4,61,752	12,97,62,600	13,02,24,352	<b>0.21</b>
2017	4,98,148	17,99,80,191	18,04,78,339	<b>0.27</b>
2018	5,44,152	21,43,06,456	21,48,50,608	<b>0.15</b>
2019	6,08,754	22,79,34,714	22,85,43,468	<b>0.05</b>

Source: incredible India report and Karnataka economic survey report

The arrival of domestic tourists and foreign tourists in 2009 in was 3, 27, 29,679 and 5, 29,847 respectively. Foreign tourist arrival in Karnataka 5,29,847 in 2009 to 6,08,754 in 2019 it has fluctuation trend foreign tourist arrival but domestic tourist arrival is 3,27,29,679 in 2009 to 11,82,83,220 in 2014 but in the year 2015 domestic tourist arrival decrease to the 10,12,34,243 then next period domestic tourist arrival was increasing till 2019 as it 22,79,34,714. Total tourism arrival in Karnataka increased from 3, 32, 59,526 in 2009 to 11, 88,45,090 in 2014. but in the year of 2015 total tourist arrival decreased to 10,17,58,395 then consistently increased till 2019. It has clearly shows that foreign tourist arrival has fluctuation trend and domestic tourist arrival trend has increasing not more fluctuation trend but 2014 decreasing domestic tourist. After that domestic tourist arrival was increasing till 2019.

### Importance of the study

Tourism industry has grown as an important industry and has gained worldwide importance and significance almost in every economic activity. The tourism sector is one of the fast growing service sectors in the world. It acts as a powerful instrument for economic growth and also Tourism also promotes national integration and international understanding and gives support to local handicrafts and cultural activities.

Karnataka is a unique and perfect destination for both domestic and foreign visitors. Karnataka wide variety, tourist destinations, health and wellness centres, eco-tourism spots, adventure activities, culture, heritage, educational institution etc. attract both domestic as well as foreign tourists towards it. The increase in the tourist arrivals have resulted in the rapid growth of tourism sector. The growth of tourism sector has resulted in employment generation, foreign exchange earnings, expansion of infrastructure facilities, capital investment, socio-economic growth, increasing in the contribution to GDP and so on. India and Karnataka has evidenced sustainable and inclusive economic growth due to the wide expansion of tourism sector.



## CONCLUSION

Tourism sector is one of the fast growing service sectors in the World. It acts as a powerful instrument for economic growth. The growth of tourism sector improves the employment generation, socio-economic growth, increasing in the contribution to GDP and it's improving the sustainable and inclusive economic growth of the state.

Tourism in India should be developed in such a way that it accommodates and entertains to visitors. Moreover, more concentration is needed towards this tourism as it improves not only the economic status of rural people but also enriches the knowledge of tourists regarding that rural area and its importance with respect to their life, art, culture etc. More promotional activities are needed to create awareness in the minds of the tourist regarding the different core areas of whole tourism sector.

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