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## “Role of Tourism for Sustainable Economic Growth of Maharashtra.”

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### Abstract –

**Maharashtra**, one of India’s premier commercial and industrial states, has recognized tourism to be a major thrust area for economic growth in the state. The government of Maharashtra realized the potential of tourism for wealth creation and employment generation. In 2011 Maharashtra emerged as one of the states, which received the highest numbers of international tourists and emerged as India’s 2<sup>nd</sup> most used port of entry. At the same time in the domestic tourist arrivals, the travel and tourism industry including transport, storage and communication, trade, hotels and restaurants accounted for around 20-22 % of the gross state domestic product and 3.5% of the state’s employments. The government’s promotion and development initiatives to harness Maharashtra’s tourism potential reflects the state’s commitment to this industry. Tourism may have a positive impact on the balance of payments on employment opportunities and income, but it may also have a negative impact on the Environment. The significance of tourism industry and its role in economic development is well known. The environment is a powerful resource for tourism as it plays a major role in attracting tourists to destination. Tourism results in interactions with the residents or hosts, the suppliers of tourism products and services and the NGOs, causing an impact on society as well as culture. All stakeholders should know that the environment is an exhaustible resource which needs to be reserved for the future generations. The carrying capacity should be kept in mind and the extent of development should be such that tourism is sustained for future generations to enjoy. The environment being the major source of tourist product should therefore be protected and sustained in order to have further growth in tourism and economic development in future. This paper stresses on how employment opportunities arising due to tourism activity contribute to the economy and has great capacity to create large-scale employment – from the most specialized to the unskilled and also contribution of tourism in the sustainable economy of the state.

### Introduction

Maharashtra is the third largest State of India, both in area and population. It is located on the West Coast of India with a 720 km long coastline along the lush green Konkan region. Nestled in the Western Ghats and the Sahyadri mountain range are several hill stations and water reservoirs with semi-evergreen and deciduous forests. The Vidarbha region of Maharashtra, with its dense forests, is home to several wild life sanctuaries and nature parks. Thus all the three regions of Maharashtra offer considerable tourism potential.

Maharashtra abounds in numerous tourist attractions ranging from ancient cave temples, unspoiled beaches, ancient forts and monuments, forests and wildlife, unique hill stations, pilgrimage centres, and a rich tradition of festivals, art and culture. Hence our campaign slogan for Maharashtra Tourism – “MAHARASHTRA UNLIMITED!”

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 tourist destinations, etc. Not all foreign tourists visiting Mumbai visit Maharashtra. Some of these 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 tourist destinations in our State.

**Tourism is associated with three specific issues:**

- The movement of people
- A sector of the economy or an industry
- A road system of interacting relationships of peoples their needs to travel outside their communities and services that attempt to respond to these needs by supplying products.

**Objectives –**

**To**

- Gain knowledge about the contribution of Tourism Industry in sustainable Economic growth of Maharashtra.
- Create awareness of State government policy about tourism industry.
- Study the growth factor related to the tourism industry in aspect of Maharashtra.
- Study the measures to be undertaken for sustainable economic growth of Maharashtra.

**Review of Literature-**

Tourism is now well recognized as a major growth engine. Several countries have transformed their economies by developing their tourism potential. Tourism has great capacity to create large-scale employment – from the most specialized to the unskilled.

The Indian economy is undergoing a major transformation. With an annual growth of eight percent, India has become the second most favoured destination for foreign direct investment. As an economic activity in the service sector, tourism also has enormous potential for contributing to economic growth.

Tourism has the potential to change the economic face of a region. The benefits of planned tourism development are manifold. Promotion of tourism would bring many direct and indirect benefits to the people. Some of the direct benefits accruing to the local community of a region as a result of tourism development are:

- Employment opportunities in tourism and hospitality sector
- Development of private enterprise
- Improved standard of living
- Social upliftment and improved quality of life
- Better education and training
- Sustainable environmental practices

. Foreign exchange earning

Some of the indirect benefits accruing to the local community of a region as a result of tourism development are:

- Infrastructure development – power, water, sanitation, hospitals, roads, etc.
- Market for local produce
- Employment in infrastructure sector
- Economic upliftment due to income multiplier effect

Maharashtra, state in western India, bordered on the north-west by Gujarat state, on the north and north-east by Chhattisgarh and Madhya Pradesh state, on the east by Andhra Pradesh state, on the south by Karnataka state, and on the west by the Arabian Sea. The state came into being in May 1960 when the former Bombay state was reorganized, with part forming Maharashtra state and the remainder becoming Gujarat state. Maharashtra has an area of 307,690 sq. km (118,799 sq. m).

Running parallel to the seacoast of the state are the Western Ghats, a highland area with elevations of about 2,000 m (7,000 ft). Between this area and the Arabian Sea is a narrow strip of land known as the Konkan.

Inland is the large Deccan Plateau, which is crossed by a number of rivers, notably the Krishna, Bhīma, and Godavari.

The state has a coastline of 720 km (447 mi). Mumbai is the major port and there are 48 minor ports. The main airport, with extensive national and international schedules, is at Mumbai; Nagpur airport is on the route from Mumbai to Kolkata (Calcutta), and there are also airports at Pune and Aurangabad.

Maharashtra is noted for its extraordinary Buddhist and Hindu cave temples. Considered architectural masterpieces, the caves were carved sometime between the 3rd and 8th centuries and can still be viewed in the towns of Ellora and Ajanta. Also Unique to the state is a huge crater created by the impact of a hypervelocity meteorite, located in the small village of Lonar.

In seeking to understand the extent of the consequences of tourism on the economies of countries and destinations, a range of analytical methods have been developed by economists. These usually involve collecting data to model the expenditure from tourism and its impact, as information gathered in visitor surveys can be used to identify -

- Direct expenditure by tourists on goods and services consumed (e.g. hotels, restaurants and tourist transport services), although this is not a definitive account of expenditure owing to the leakage of tourist spending to areas and corporations outside the local economy.
- Indirect expenditure by visitors, which is often estimated by identifying how many tourism enterprises use the

income derived from tourists spending. This spending is then used by enterprises to pay for services, taxes and employees, and then reticulates in the urban economy. In other words, tourist expenditure stimulates an economic process that passes through a series of stages (or rounds).

The induced impact, by calculating the impact of expenditure from those employed in tourism and its effect on the local economy. These three Impacts are then used to estimate the nature of tourist spending. This highlights the inter-relationships that exist between tourism, tourist spending and other sectors of the economy. It also introduces the concept of leakage, in which expenditure is lost from the local system to other areas. For planners and managers, maximizing local economic linkages (e.g. buying local produce and employing local people) can enhance the benefits of tourism to a locality. Where the local economy is very vulnerable and is dependent upon a large number of imports (e.g. labour, goods and services), leakage will be high; hence reducing the openness of the tourism economy will help to improve the impact locally. Many rural areas are characteristically open economies and there are high levels of leakage in tourism, whereas in urban areas leakage is reduced as the economy is more closed.

### **ECONOMY:-**

Maharashtra is one of India's leading states in terms of agricultural and industrial production. The chief crops include rice, wheat, jowar (a variety of sorghum), bajri (pearl millet), sugar cane, peanuts, and cotton. Livestock raised include buffalo and other cattle, sheep, goats, and poultry. Industry is concentrated mainly in Mumbai, and then in Pune and Thane. The main industries include cotton and wool textiles, electrical machinery, mechanical engineering, electronics transport, and the production of sugar, industrial alcohol, chemicals, and food. The state also supports growing oil-refining and petrochemical industries.

### **ROLE OF MTDC IN BOOSTING TOURISM IN MAHARASHTRA –**

The Maharashtra Tourism Development Corporation (MTDC) has run the "Maharashtra Unlimited" campaign, which has gone some way in putting on the tourist map little-known coastal fishing villages (Mandwa, Ganapatipule, Malwan, Tarkali), historic cave sites (Ajanta & Ellora, Karla, Pitalkhora), a crater formed by the impact of a falling meteor (lonar), forts (sinhgad, Murad-Janjira, Daulatabad, Panhala), and others.

MTDC launched the Deccan odyssey, a Rs. 32-crore luxury train that tries to recreate the magic of the palace on Wheels. The luxury train, which traverses the Konkan coast on a week-long journey through Maharashtra and Goa.

### **VISION**

The state government's tourism policy, which aims to develop the sector of the imines of an industry, recognizes the role of the private sector, the policy seeks to provide direction and support to the private sector and enlist its assistance in developing the industry.

The policy has identified various projects for investment, namely, hotels, resorts, health farms; motels, apartment hotels; arts and craft villages; golf courses; camping and tent facilities; multiplexes; aerial ropeways; and amusement parks,

Our vision, says Mr. Singh, is “To make Maharashtra a premier tourist destination; and to make Mumbai the regional tourist hub for South Asia in the short- term, and for South-East Asia in the medium term. “MTDC is itself undergoing a change of roles, he says. “We are moving from being a ‘Hotel Management Company<sup>5</sup> to an organization that facilitates and encourages investments,”

As part of its new brief, the organization is actively involved in identifying and buying land for which they would draw up land-use plans. These plots would then be sold to interested parties, under the plan, the institution would demarcate between 100-150 hectares and 1,000-1,500 hectares, for development as tourism estates, he said.

### **PRODUCT DEVELOPMENT**

One of the important achievements of the State’s tourism initiative has been the restoration of the Ajanta & Ellora cave complex in Aurangabad district. The Rs. 81.7 fl-crore first phase received Rs 69 48 crore in funding from the JBIC (Japan Bank for International Cooperation). The focus of this phase of the project was the improvement of the infrastructure around the cave complex and preserving the world heritage monument.

The second phase costing Rx. 360 crore, will receive about Rs 300 crore from Jbic with the balance being brought in by the respective implementing agencies like the Archaeological Society of India, Airports authority of India and five State Government agencies. MTDC will be the nodal agency for the seven implementing agencies and the project is to be completed over a period of five years.

### **COVERAGE**

Coverage under Tourism Incentives Scheme 2000—tourism projects in the private sector, State Public Sector/Joint Sector and the Co-operative Sector but not in Central Public Sector will be considered for the incentives under “The 2000 Tourism Incentives Scheme”, The proposed tourist facilities will have to be open to all and will not be confined to the exclusive use of members of any group or club any such other resolutions.

### **ELIGIBLE UNITS**

- 1) Hotels, Resorts and Health farms,
- 2) Motels and Wayside Amenities,
- 3) Apartment Hotels,
- 4) Water Sports,
- 5) Arts and Crafts Villages,
- 6) Golf Courses,
- 7) Camping and Tent Facilities,

- 8) Amusement Parks,
- 9) Aerial Ropeways,
- 10) Heritage Hotels,
- 11) Convention Centers,
- 12) Development of Hill Stations,
- 13) Approved Caravan Tourism,
- 14) Service Apartments,
- 15) Eco-Tourism Projects like Houseboats,
- 16) Adventure Tourism Projects,
- 17) Restaurants,
- 18) Entertainment Centers including Bowling Alleys, Video Parlors, Theatres etc.,
- 19) Projects approved by Classification Committee of Tourism Department of the Government of India of State Government.

Tourism is frequently justified on the basis of its potential contribution to economic development. More specifically, it is widely assumed that tourism can help to eliminate the widening economic gap between developed and less developed countries and regions and to ensure the steady acceleration of economic and social development, in particular in developing countries. Certainly, tourism has great potential to fulfil this role through contribution to the development of destination areas the economic benefits of tourism, such as income and employment generation, are widely recognized. In practice, however there are many factors that frequently serve to reduce these potential benefits to the host country. In other words, despite the widespread and justifiable support for tourism as an economic development agent, its potential may not always be fully realized. At the same time, there remain serious doubts whether tourism, without intervention and a fundamental transformation in global political structure, can in fact help to establish a more even and equitable economic world order.

Many other questions also surround the role of tourism in economic development. For example, can the widening economic gap between developed and less developed countries be eliminated by the tourism development model? Who actually profits from the development of international tourism? Does tourism development contribute to establishment of a new form of colonialism? Is it economically healthy to be dependent on the business of tourism? Can the international competitiveness of tourism in developing countries be increased as a result of favourable terms of trade? Are less developed countries, possessing few capital resources but rich in cultural and environmental attraction, able to exploit the latter as a factor of comparative advantage? How high is this general ability to add value to the tourism product? How high is this ability in less developed countries? Who profits from the exploitation of the host countries own natural and human resources? Does the concept of sustainable tourism promote economic development? What, if anything, can be done to achieve a new international economic order through the contribution of tourism development? What will be the future significance of tourism as a generator of development in the new emerging countries?

More specially, it challenges a number of accepted benefits of tourism project and purposes alternative ways in which the contribution of tourism to economic development may be assessed and measured. Thus, the project focuses upon specific economic consequences of tourism, such as contributing to a destinations balance of payment employment creation and its inflation effects, the economic and its valuation and transfer of property rights over 'free' attractions in destination areas provides a more valid basis for judging the contribution of tourism to economic development.

This is not suggest from the outset that tourism does not provide positive economic development brings about many and diverse positive consequences for destination economics which are discussed at length in the literature. For example, it is the valuable source of foreign currency, it creates earnings through of the host country and its generates employment governmental revenue. Indeed, there are numerous example destinations, regions and countries both in the developed and less developed words that have benefited significantly from the economic impacts of tourism.

Importantly , however , not only is the magnitude of these impacts determined by the various factors but, at the same time, it is also unrealistic to expect that tourism is generally a magic wand that can solve all the problems of under developments and reduce the economic gulf between the developed and undeveloped worlds, therefore, this chapter reviews briefly the main economic impacts of tourism but focuses principally on fundamental issues related to , the potential of tourism to contribute to economic development.

#### Methodology-

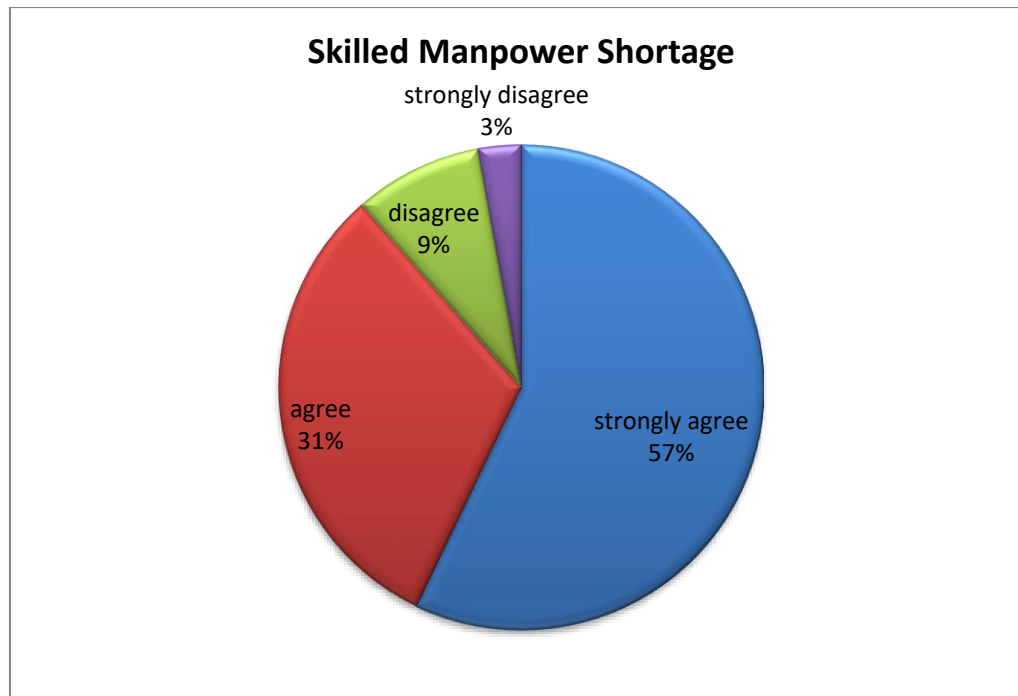
In order to collect relevant data the researcher need to visit many places including government offices and libraries and conducted a survey by filling up the questionnaire thru general public, government officials etc. Thus the survey was done using the Random Purposive Sampling Method. The size of the sample was limited to 70 samples. Based on the survey analysis was done with the help of result and discussion and the researcher came to the conclusions.

#### Result and Discussion –

##### Skilled Manpower Shortage

Sr. No.	option	Respondents	Percentage %
1	Strongly agree	40	57.14%
2	Agree	22	31.42%
3	Disagree	6	8.58%
4	Strongly disagree	2	2.86%
	Total	70	100%

The above table shows that 60% of the people strongly agree that lack of skilled man power staggers the growth of tourism development and its economy, 31.42% agree, 8.58% of people disagree, whereas 2.86 % people strongly disagree. The government or tourism department should take the lead in training the local people to develop skills which will provide employment opportunities to locals.



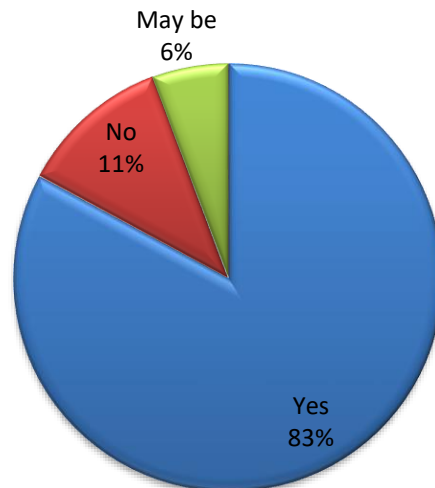
### Developing tourism leads to generating employment revenue

Sr. No.	options	Respondents	Percentage %
1	Yes	58	82.87%
2	No	8	11.42%
3	May be	4	5.71%
Total		70	100%

82.87% of the people are strongly convinced that developing rural tourism leads to generating employment revenue, 11.42% do not agree and 5.71% says may be. This shows the urgent need to boost tourism to increase the economy of Maharashtra through tourism. For this the tourism products need to be improved to the fullest.



### Developing tourism leads to generating employment revenue



#### Conclusion –

- There is an urgent need to carry out an extensive survey of the tourist resources of the country on specific lines. The information thus collected should be thoroughly assessed and mapped so as to identify the tourism resources potential of the state at the micro and macro-level.
- The ministry of tourism should take necessary step in order to regulate the activities and standards of various constituent units of tourism industry like hotel restaurants, transports carriers, travel agents through suitable legislative measures.
- Law and order must be effective regulating at a high level in the country.
- Government should regulate and control tourism in environmentally and culturally sensitive areas undertake specific research into the environmental cultural and economic effects of tourism.
- The new concept of tourism police at tourism destination must be popularized so that the tourist cannot be cheated and crime towards tourist should be minimized.
- The best known tourist product of Maharashtra in global tourism market like forts, heritage hotels, beaches , hills, fairs and festivals , wildlife in the national parks needs international marketing.
- The publicity and marketing strategies adopted by the department of tourism have not been found effective therefore; there is an urgent need to redesign its marketing strategy so as to increase the tourist traffic in the state.
- Maharashtra is also famous for handicrafts of excellent quality and extra ordinary standards. Domestic and foreign tourist buy these items with great interest like gems and jewellery, leather goods, textiles, statues, and other marble stone items etc. . Hence marketing arrangements should be standardized for the purpose of that the tourist feels these arrangements perfect and transparent in every respect.
- Maharashtra tourism needs urgent methodology to professionalize their approach in respect of marketing activities . They should overall their tourist office in other state and strengthen a few selected offices on the basis of their marketing plan and strong marketing orientation.

- Maharashtra should popularized eco-tourism as one of the new coming tourism products and international fairs, exhibitions, conferences and conventions should be organized to give boost the tourism industry in the state. To give the travel trade a competitive edge in its marketing efforts, the market development fund should be set up with the purpose of promoting tourism.
- Facility for tourist attraction should be introduced like watered sports, ropeway, recreational facilities, horse riding, boating facility and cultural activities at mass level.
- District administration should develop standards and regulation for environmental and cultural impact assessment and involves all NGOs, social organizations to work with the government in this direction.
- Some promotional measures of incentives like family concessions can also be profitably introduced for the further boosting the tourist traffic inflow in the state.
- Travel agencies should be provided terminal links to the computerized reservation system of airline and railways to facilitate ticketing booking etc.
- Adequate attention needs to be given for upgrading road transportation facilities in important tourist centres.
- The states should encourage air taxi services and helicopter services with the state so that the tourist can see number of places in a shortest possible time.
- As tourism industry must offer immense investment opportunities in different sector like accommodation cuisine, transport, recreation rope ways, heritage hotel, adventure tourism, horse, elephant and jeep safaris. Government should boost its activities by providing more incentives in the states.
- Youth tourism should be encored and the states should support this activity because tourism educates the citizen of tomorrow and promotes national integration.
- Tourism policy must be reviewed from time to time and independent tourism consultants, hotelier's tourism academicians's tourism researchers, NGOs and other operational organizers must make assessment.
- Policies and programmes should be so flexible so that last minute change will not affect the development of the entire scheduled of the tourism development.
- The implementation of the policies and strategies is as important as their formulation in the Indian context to bring the industry in to the forefront of economic activity.
- Supplementary accommodation like paying guest scheme, guest houses, tourist bungalows, forest lodges etc. should be encouraged through proper incentives.
- 10 Cs like consumer satisfaction, commitment, co-ordination, cleanliness, communication, Control procedure, Concession plans, civil aviation, community involvement and continuous improvement must be given due to attention in the state.
- Shopping, local art and craft, fair and festivals, local cuisine and folk tradition which constitute an integral part of tourist product, must be promoted in an integrated way so that they could have a systematic impact towards creating an ideal tourism environmental States.
- Active involvement of the local people is an essential prerequisite for the success of any development programme. It is more vital in the case of tourism where the success depends entirely on the human relations. Therefore, there is an immediate need to infuse tourism awareness in the society to ensure a positive interaction between host and guests.

- Close co-ordination between private and public sector at different levels is the key to success in tourism development .State development of tourism must play a central role in this regard.
- Efforts should be made to facilitate flow of institutional finance for increasing hotels and tourism units in all states.
- Governments should allot more budgets on tourism development in the states.
- Government should encourage NGOs to influence Eco-tourism
- Quality of services regarding various sector of tourism like accommodation, foods and beverage, bar, transport, training should be given for regular refresher courses for the already employed persons. Keeping in view the diverse nature of the tourist, suitable programme can be evolved and implemented in the academic institutions, professional organizations.

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