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## **Economic Impact of Tourism in Rishikesh Town Uttarakhand**

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**Abstract**---Rishikesh is internationally recognized as one of the best place for tourism due to yoga and Ayurveda facility, spiritual ambiance and best adventure spot in India. This town is faced many challenges to the economic development. Tourism is seen as in practicable and sometimes only means of economic growth not focusing on the economic development in the town. The present research deals with an impact of tourism on the economy of this town. The paper is in descriptive in nature, and it shows that tourism has made adequate contribution to the local economy in Rishikesh town.


**Keywords**---ambiance, challenges, development, economy, practicable.

**Introduction**

Tourism has emerged as world's largest fastest growing industry. Many countries economy is totally depend on tourism. Tourism is not only the source of employment to the local people but also the cause of enhancement of level of lifestyle, thinking and modernity (Sadler & Archer, 1975). Rishikesh is one of the most significant pilgrimage centers and adventure destinations of India, It is a gateway to the Char Dham - Badrinath, Kedarnath, Gangotri and Yamunotri. The place is scenically located with the holy GangaRiver flowing down from the Himalayas through it. It is also known as the "Gateway to the Garhwal Himalayas", being situated in the foothills of the Garhwal Range of Himalaya Mountains and "Yoga Capital of the World", having a plethora of ashrams and centers of yoga and meditation (Mishra et al., 2012; Cooper, 1993).

**Economic impact of religious tourism in Rishikesh**

Tourism has been playing a major role in building and sustaining the economy of this town. Tourism has been a major driver of economic growth and livelihood promotion in most of the remote areas of Rishikesh. The income earned from tourists by providing various services including transportation, food and

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beverage, pony and porter services, etc. sustain the livelihood of people of Rishikesh. Significantly, there has been a big jump in the inflow of religious tourists to Rishikesh during the year 2010 with respect to the corresponding number in the year 2009; whereas there were fluctuations in the total numbers in the preceding nine years (Malterud, 2001; Dale & Beyeler, 2001). Thus, if the number of religious tourist can be enhanced through various motivational/promotional programmers, the revenue earned by the town can be significant.



Figure 1. Economic impact of religious tourism

- Positive impacts  
Creation of job opportunities; local people are employed in different sectors of the tourism industry; opportunities for women. New fields for commercial activities; Religious tourism opens up new possibilities for ventures; attracts new investment in the town. Tourist spending provides the necessary income for preserving and managing places of attraction. Such spending also becomes a source of revenues for municipal councils (e.g. Parking, tourist taxes etc.). It also led to multiplier impact as spending are spread in different sectors and create jobs and revenues on sectors indirectly related to the tourism industry; contribution to local wealth, economic development and regeneration in the town.
- Negative impacts  
Increased expenses for a town management: Spending on cleaning garbage collection, water disposal, lighting, marketing and promotion can impact severely on the municipal budget. Increase in the price of real states: Prices of land and houses increase; competition for the use of land; poorer section of the population sometimes have to move out of the town. General Price increases: Retailers and suppliers increase the prices of goods services; segregation between tourists and locals; creation of slum area of gentrification.

### **Economic impact of adventure tourism in Rishikesh**

In adventure tourism industry the employment of immediate locals is less and mostly for low paying positions (Gill & Singh, 2013). It is probably due to lack of sufficient skill with the local people against the demand of the industry. The

survey reflects that the owners do not fulfill commitment to the locals. It is probably due to their perspective that these locals may remain pre-occupied among themselves for their household chores, thus restrict the functioning of the camp. Secondly, they apprehended against the rise of malpractices. The results are suggestive for measures needed to be taken for addressing the issues of owners and accordingly training the local people to meet the demands of the hospitality and services management (Graave et al., 2017). Though buying of local products such as vegetables, milk etc. by camps could have been potential means of economic gain for local people but the direct procurement of all these necessities from town by camps renders this means of economic profit to the immediate villagers obscure though. Furthermore indirect means of income generation options have also grown up. It mainly includes selling of refreshment items i.e. tea, cold drinks, chips and others. Rafting, kayaking and camping on the River Ganga from Byasi to Rishikesh are regulated and subject to fluctuations in the weather and climatic conditions. The camps are closed from May onwards till September due to high wind and heavy water current during the rainy season from the end of June to mid-September. The upper reaches and gorge sections of the Ganga are limited to experienced paddlers. The Lower Ganga from Byasi to Shivpuri is the most popular reach of the river and is used by rafters, kayakers and boaters (Toya & Skidmore, 2007; Granger, 1988).

## **Economic impact of health tourism in Rishikesh**

### **Creating jobs**

Health tourism is a highly labor intensive industry. It depends very much on a large number of people with various levels of skills and abilities. In general, health tourism industry has a greater capacity to provide more job opportunities than any other industries. There are 2 main types of employment generated by tourism: direct and indirect.

- **Direct Employment**  
Which is employment generated from business that directly provides services to tourists. Examples:
  - Job for yoga and meditation teachers, and spa centers, Ayurveda therapies etc. in Rishikesh.
  - Accommodation and catering (Yoga Ashrams).
  - Tourist attractions and business facilities (e.g. exhibition and convention centers).
  - Tourism promotion and information (e.g. travel agencies or tourist boards)
- **Indirect Employment**  
Refers to jobs of those people who either: serve both local people and tourists, or manufacture goods and provide services which are bought or used by business and organizations which serve tourists directly. Examples: Taxi drivers, Shopkeepers
  - Factory workers manufacturing bedroom furniture for sale to hotels
  - Sectors which employ the most employees in the tourism industry are
  - Yoga, Ayurveda, Spa, and Meditation institutes and hospitals.

- Food services
- Accommodation
- Transportation
- Entertainment
- Travel agencies and tour operators

### **Providing tax revenue**

Tourists may pay tax like most other people. As they come from other regions or countries, their expenses result in an increased tax base for the host area. Government receives these taxes from:

- Direct Taxes
  - Salary tax (on personal income) and Profit tax (on business)
  - An increase in tourist expenses would result in an increase in income of people working in the tourism industry
  - Profit of business owners which therefore increases the tax revenue of the government
- Indirect Taxes
  - Turnover tax, Expenditure tax, Departure tax and hotel room tax.
  - Turnover taxes paid on consumption. Two major types are sales tax and value added tax. Sales tax is levied by the government on goods and services that are passed directly to consumers. Tourists pay the tax without knowing the exact amount since it is included in the price of the goods and charge for the services. Expenditure tax is luxury tax paid on specific forms of consumption. They are often known as excise duties paid on goods like alcohol, tobacco and petrol. Departure tax is common in many places for tourists to pay to the destination area and hotel room tax paid for staying overnight in a hotel room.

### **Improving the foreign exchange**

Health tourism industry plays an important role as a foreign exchange earner. In Rishikesh when the foreign tourist come and pays here for the tourist facilities, the foreign exchange increases in the town ([Moraga et al., 2019](#); [Korhonen et al., 2018](#)).

### **Economic growth and living standard**

Health tourism is very important to the town with huge potentials for exporting health products and manufactured goods. Health tourism contributes greatly to the diversification of the economy ([KM, 2015](#)). Through the linkages with other economic sectors such as hospital construction, transport, medicines and food production industries etc. The health tourism industry may spread its effect throughout the economy and bring about economic growth. Health tourism may also raise the living standard of local residents. They may have more jobs that are better paid than the traditional ones such as farming and fishing. Local people may enjoy better facilities and a wider choice of goods and services ([Oakes, 2004](#); [Vogel & Peukert, 2004](#)).

### **Generating income and the linkage effect**

Income is generated from wages and salaries, interest, rent and profits. In a labor-intensive industry such as tourism, a large part of income comes from wages and salaries earned by people who are directly or indirectly involved in the health industry. Moreover, the benefits of health tourism can spread throughout the whole economy by creating more jobs in other sectors of the economy (Naz & Ahmad, 2021; Florence & Anthony, 2016).

### **Economic impact of wildlife tourism in Rishikesh**

Wildlife viewing tourism is an important segment of tourism and has grown rapidly in many countries in recent decades and is becoming a major industry. For many tourists, a significant reason for visiting a region or extending their stay is the presence of wildlife. Similarly the amount of money generated from such tourism varies according to species, foreigners and locals and on average, specialists such as birdwatchers, spend more money than generalists. Furthermore, a large percentage of visitors would not visit an area if it were not for the presence of wildlife and tourists often spend extra days in an area because of the presence of wildlife (Pratt, 2015).

The economic importance of wildlife tourism has been measured in different ways. The appropriate method depends on the purpose of the exercise. Some methods are dubious and give conflicting results. This is partly because estimating all the costs associated with wildlife tourism (e.g. travelling, accommodation and food) is difficult. Furthermore, visitors often want to see a multitude of attractions, including wildlife. Such multi-purpose journeys usually involve several sites. This creates a major problem in using the travel cost method for estimating the value of sites. However some studies show that the primary employment generated from wildlife tourism related expenditure is large. The economic impact of wildlife tourism in the town is given below:

- It generates local employment, both directly in the tourism sector and in the various support and resource management sectors in the town.
- It stimulates profitable domestic industries, such as hotels, restaurants, transport systems, souvenirs and handicrafts and guide services religious goods etc. in the town.
- It generates foreign exchange and creates job opportunity and raises per capita income during the tourist season in Rishikesh.
- It diversifies the local economy, particularly in rural areas where agricultural employment may be sporadic or insufficient;
- It stimulates the rural economy by creating demand for agricultural produce and injecting capital.
- It stimulates improvements to local transportation and communications infrastructures, which brings benefits to local people as well as for the tourists.
- It create livelihood options for household women also in home stay facility for tourist during tourist season when tourist inflow in huge amount for wildlife amusement.

- It encourages local government to provide extra resources to promote development in surrounding areas, particularly for those protected areas where tourism establishes the area as a showpiece for the town.
- It encourages productive use of lands which are marginal for agriculture, enabling large tracts of land to remain covered in natural vegetation.
- It creates recreational facilities which can be used by local communities as well as domestic and foreign visitors; and it promotes conservation by convincing government officials and the general public of the importance of natural areas.
- In some cases, habitat damage caused by trampling is short-lived, particularly where there are seasonal patterns of visitation.
- Due to monetization of resources the livelihood options for women increases in the town and therefore social system strengthens.
- Monetization of resources for the local people is the source of earning money in the town.

### **Economic impact of leisure tourism in Rishikesh**

Leisure tourism has positive impact in the economy of the town. It is as a source of employment, job opportunities, positive balance of payment etc. Some impacts on economy of the town are given below:

- Recreation, leisure and tourism contribution to gross domestic product.
- Expenses is increasing related to leisure goods and services as sports, camping equipment's, books maps, music, alcohol, television, cinema, toys and hobbies, photography and camcorders, leisure hotels etc. through these kind of expenses tourist pay a big amount of taxes. That increases the foreign exchange and good to economy of the town.
- Inflation can be defined as a rise in the general level of prices or a fall in the purchasing power of money. Inflation rate has increased due to the demand of the leisure goods.
- Job opportunities and employment level has increased in the town. Facilities that provided to the tourist like hotels, camps, food, taxis accommodation etc. are the source of employment for the local people of the town. So the income of the local people has increased. It employs large number of people and provides a wide range of jobs, which are intended from unskilled to highly specialized one. Then, there are other supporting industries, small and large, which in turn, cater to the needs of tourism industries directly, or indirectly providing and supplying the requirement of the tourists. The following list ranks various businesses, with the highest employer at the top: such as Food service, Entertainment, Accommodation, Automobile transportations, Public transportations, Travel arrangers
- Expenditure on leisure and tourism products can contribute to employment. Government policy here includes expenditure on overseas marketing to promote tourist demand for leisure, recreation and tourism services. A low-exchange rate also assists exports of services and leisure goods.
- Real household's disposable income can be increased through leisure tourism.

- The tourism in India is of crucial importance in relation to its critical position of balance of payment problem and as an important source of foreign exchange earnings.
- Tourism necessities help in creation of infrastructure utilities and amenities, which are not only used by the visitors but become valuable to the local population as well. The economic importance of tourism in national economy can be appreciated with reference to its contribution in infrastructure development in the town.

Thus we comes to know the economic impact of leisure tourism as due to tourism expenditure, investment increase that results the regional development of the town, reduction of poverty, enhance the literacy and education level, increase in standard of living, improve in health and family welfare and so many more multiplier effect on economy of the town.

### Conclusion

The tourism income show that tourism generates a large amount of economic activity but the income that remains in the destinations is often very small. The results show that taking advantage of economies of scale maybe a way to maximize the benefits from tourism. And also its benefits should be acquired in all the sectors and regions of the town so that Sustainable economic development can be achieved in Rishikesh. Many government schemes and policies put influence on the economic sector in town and create more job opportunities that resulted increase in per capita income of local people, through which regional economic disparity has decreased.

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