



**SUSTAINABLE DEVELOPMENT OF TOURISM AND ITS
IMPACT ON ECONOMY OF ODISHA**

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Abstract

Tourism is one of the significant sectors in the world economy. It is now considered as a well-organised tool for promoting economic growth and development of a country. The scenic beauty of nature, historic monuments, exotic sea beaches, luxuriant forests, majestic mountains, captivating wildlife, mystic waterfalls, beautiful handicrafts, vast water bodies, famous classical and folk dances, enchanting music and most importantly, its hospitable people makes Odisha one of the favourite tourist destinations of India. Tourist arrivals in Odisha has been increasing in terms of both the domestic and foreign tourists in absolute term up to the year 2019 but it has declined during the year 2020 due to covid-19 Pandemic. The share of tourist among Odisha, National and foreign has remained the same during the study period. The government of Odisha has taken certain initiatives for the development of tourism by raising infrastructure facilities.

1. Introduction

Tourism has emerged as one of the world's largest industries and the fastest growing sector of the economy and has the potential to assist significant number of people, especially the unskilled and rural labour force. It plays an important role in sustaining

national economy. Certain characteristics of tourism such as its labour-intensive nature, inclusion of women and unskilled labour, its dependence on natural and

cultural assets, largest sources of foreign exchange earning etc. has forced nations to explore their tourism potential with a view to earn income out of it. Environment remains a source of tourism attraction as long as it is not damaged beyond the control. But it needs a greater care to protect all its components from the harmful effect of mass tourism. Tourism is the sum of Nature's Beauty, Wild Life, Cultural attraction and Ecology. All these are the components of one single and visible system. They need to be conserved in order to protect the very sources of tourism from destruction. Tourism requires necessary infrastructure and services for tourists. It is a conglomeration of several activities and has the potential to stimulate employment generation in related field like hotels, transport, shopping, food, entertainment, guiding etc. it is the tourism and hospitality sector which binds together a lot of other employment generating sectors through forward and backward leverage effects.

A sustainable tourism allows exploiting tourist resources for a long time and never brings a full stop to the creation of job opportunities. The growth of tourist culture demands to practise tourism on sustainable basis. Sustainable tourism development has three concerns involving economic efficiency, social equity and ecological sustainability.

Sustainable rural development is a holistic process as enhancing economic growth and quality improvement in the standard of living of the rural masses. Legitimate exploitation of available economic resources in futuristic component may be emphasized in this context so that long term socio-economic gains may be experienced by the rural community. Tourism is one of the strategically important emerging sectors in Indian economy with tremendous potentialities to assist the process of sustainable rural development.

Eco-tourism or environment friendly tourism activity forms a core segment of sustainable tourism. It requires preserving the ecology and local culture of biodiversity and organized human efforts are the major component of eco-tourism.

International tourism occupies a very important place in the economics of several countries. Presently it has got the status of industry. Government all over the world are competing with each other in selling tourism & travel, history, culture, etc to the people all around the world. The global market trends in tourism are changing due to the change of living standards, free time for leisure, advancement in transportation, development in information technology, etc. Now majority of tourists all over the world are more interested to participate in cultural tourism, eco-tourism, natural

destination, rural tourism and above all spiritual tourism. For all these kind of tourism, Indian can be treated as best tourism destination as it has all kinds of tourism potential to feed the tourists.

The World Tourism Organization (WTO) estimates that 20 out of every 100 workers today are employed in tourism related activities. Tourism is form of leisure- oriented temporary mobility with both spatial and temporal dimensions. India has been the most preferred destination for both domestic and oversea travelers. In recent years India has experiencing exponential growth in tourism sectors with able to successfully promote paradise of India across the world. As per World Travel and Tourism Council estimates that this sector now generates more the 4 percent of country's GDP and more than 20 cores jobs.

In India, the tourism industry has remained ignored by the government. It is performed well below its potential despite the fact that India has a unique heritage and culture and a wide variety of tourism attractions. The small countries like France, Spain, Hungary, etc are ahead of India in this sphere. This is due to lack of professionalism, unhygienic conditions, poor infrastructure, lack of easily accessible information, low spread of advertisement, problem lack of safety, inadequate facilitation services, municipality of taxes and above all, low priority accorded to tourism etc are responsible for the poor performance of Indian tourism at global level.

The tourism industry in India accounts for the 3rd largest share in our foreign exchange earnings. The development of tourism provides at least seasonal employment to the young unemployed people and a part time job to women and the elderly persons. The craftsmanship gets retrieved. Indian tourism has been growing at rapid pace and it has huge potential for generating both direct and indirect employment and earning a large amount of foreign exchange besides giving a fillip to the country's overall economic and socio-cultural development. But it is still lacking behind in respect to tourism infrastructure.

2. Odisha Tourism

Odisha has been the tourists' paradise right from the time immemorial. Odisha is rich tourist hub with its golden history of strategic geographical location, diverse demography and abundant bounties of nature. The sector has rich potential of employment – direct and indirect, as also income generation, foreign exchange earnings. In Odisha tourism is labour intensive sector. The sector contributes significantly to the economy, from local to state level in terms of employment generation, foreign exchange earnings and value addition for the state economy. The common people's benefits of tourism are the creation of new sources of income and

the job. But it also plays a special role in toning up the local folks and raising the quality of life in numerous ways in state's underdeveloped areas. Odisha bears the essence of rich tourism sector with its age old cultural heritage, myriad of monuments and nature's bounties like beach resorts, eco-tourism, flora and fauna, bio-diversity and National parks and Sanctuaries. Although Odisha tourism plays small role in Indian tourism it has huge potential for its growth.

Odisha Tourism Destination

Odisha has 358 numbers of identified tourist destination located all over 30 districts of the state. Cuttack (28), Balasore (22), Ganjam (22), Puri (21), Mayurbhanja (19) and Khurda (19) are the leading districts of tourism destination. The 'Golden Triangle' of Bhubaneswar-Puri-Konark is biggest tourism attraction. The world famous Sun Temple at Konark which is known as 'Black Pagoda' (of 12th century) and the temple city of Bhubaneswar are other major tourist attraction. The 'Tri-ratna Triangle' comprising Lalitgiri, Udayagiri and Ratnagiri of Jajpur district of Odisha is the other attraction for Buddhists from Eastern countries of the world. Several festivals including world famous Car Festival (*Ratha Yatra*) of Lord Jagannath at Puri are made colourful in attracting tourists.

The weather condition is an important determinant of tourists visit to Odisha. The seasonal variation affects the number of tourists of the state. The state has hot climate during March to June and rain from July to September, this period is called as lean tourism. The peak tourism season in Odisha is the month from October to March of every year.

Growth of Tourism in Odisha

The number of tourists has been increasing in all states of the country due to population growth and improvement in standard of living of the people. The trend and pattern of tourists visit to Odisha is given in Table 1.

Table 1
Tourist Arrival in Odisha

Sl No	Year	Domestic tourist	Percentage change	Foreign tourist	Percentage change	Total no of Tourist	Percentage change
1	2010	7591615	10.16	50432	10.39	7642047	10.16
2	2011	8271257	8.95	60722	20.4	8331979	9.03
3	2012	9053086	9.45	64719	6.58	9117805	9.43
4	2013	9800135	8.25	66675	3.02	98666810	8.21
5	2014	10790622	10.1	71426	7.13	10862048	10.08
6	2015	11786117	9.2	66971	-6.24	11853088	9.12
7	2016	12842899	8.97	76361	14.02	12919260	9.00
8	2017	14011229	9.10	100014	30.98	14111243	9.23
9	2018	15208540	8.55	110818	10.80	15319358	8.56
10	2019	15307637	0.65	115128	3.88	15422765	0.68

11	2020	46,22,273	-69.80	10,206	-91.14	4632479	-69.96
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Source-Department of Tourism, Government of Odisha,
Odisha Economic Survey, Directorate of Economic and Statistics, Government of Odisha

It is seen from Table 1 that the total number of domestic tourists and foreign tourist were 7591615 and 50432 respectively during the year 2010. There is the continuous rise in the number of total tourist in the subsequent years. The table-1 describes that total number of tourists' inflow from both domestic and foreign has been increasing during the period from 2010 to 2019. The domestic tourist inflow in Odisha has witnessed a substantial increased in number during the same period. But the number of both domestic and foreign tourists has been declined to 46, 22,273 and 10206 respectively in the year 2020 due to COVID -19.

The COVID-19 pandemic has impacted the sector at global, regional and local level. Due to travel restrictions imposed on international and national travel, a significant drop of tourist arrivals has been registered in international tourist sector. Odisha has no exception of it. In Odisha, total tourists arrivals in the year 2020 have dropped to an unprecedented number, i.e. 69.96 percent in comparison to 2019. The percentage change of foreign tourists in Odisha is (-) 91.14 percent.

Table 2
Tourism Composition in Odisha

Year	From Odisha	From India but outside Odisha	From Abroad	Total
2010	4562742 (59.71)	3028873 (39.63)	50432 (0.66)	7642047 (100.00)
2011	4657402 (55.90)	3613855 (43.37)	60722 (0.73)	8331979 (100.00)
2012	5437254 (59.63)	3615832(39.66)	64719(0.71)	9117805 (100.00)
2013	5881714 (59.61)	3918421 (39.71)	66675 (0.66)	9866810 (100.00)
2014	6474077 (59.60)	4316545 (39.74)	71426 (0.66)	10862048 (100.00)
2015	7071367 (59.66)	4714750 (39.78)	66971 (0.57)	11853088 (100.00)
2016	7705425 (59.64)	5137474 (39.77)	76361 (0.59)	1291926(100.00)
2017	8406401(59.57)	5604828 (39.72)	100014 (0.71)	14111243 (100.00)
2018	9124818 (59.56)	6083722 (39.71)	110818 (0.72)	15319358 (100.00)
2019	9184255 (59.16)	6123382 (39.70)	115128 (0.75)	15422765 (100.00)

2020	2773207 (59.86)	1849066 (39.92)	10206 (0.22)	4632479 (100.00)
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Figures in parentheses show the percentage.

Source: Statistical Bulletin 2020, Deptt. Of Tourism, Government of Odisha

The above table shows that the number of foreign tourists, tourists from all other state and Union Territories in India other than Odisha has been in increasing trend from 2010 to 2019. The percentage of tourists inside Odisha has remained the same (slightly less than 60 percent) during the study period i.e from 2010 to 2020. The share of the foreign tourists among total tourists arrival in Odisha is less than 1 percent.

The two countries such as the USA and France are the major tourist generating markets for Odisha during the year 2020 with 1585 and 707 tourists respectively and they are followed by Italy (668), Japan (558), United Kingdom (558), Netherland (527), Germany (499), and Australia (476). The total number of tourist arrival from abroad is only 10206. The number of foreign tourists is very less in comparison to previous years due to COVID-19 Pandemic. France, German, UK and USA are the major tourists among the foreign tourist and nearly 54 per cent of foreign tourists come from Western Europe. Although the share of foreign tourist to Odisha is less the 1 percent, an absolute terms the number of tourist from within the state & outside the state and abroad has been increasing from 2010 to 2019.

The Table 3 shows the share of total domestic tourists between Odisha and other states and Union Territory. The percentage ratio of Odisha and other states and UTs of Indian is 60:40 during the period 2010 and 2020.

Table 3
Composition of Domestic Tourists Visits in Odisha

Sl No	Year	Tourists of Odisha	Tourists of other States and UTs	Total
1	2010	4562742 (60.10)	3028873 (39.90)	7591615 (100.00)
2	2011	4657402 (56.31)	3613855 (43.69)	8271 257 (100.00)
3	2012	5437254 (60.06)	3615832 (39.94)	9053086 (100.00)
4	2013	5881714 (60.02)	3918421 (39.98)	9800135 (100.00)
5	2014	6474077 (60.00)	4316545 (40.00)	10790622 (100.00)
6	2015	7071367 (60.00)	4714750 (40.00)	11786117 (100.00)
7	2016	7705425 (60.00)	5137474 (40.00)	12842899 (100.00)
8	2017	8406401 (60.00)	5604828 (40.00)	14011229 (100.00)
9	2018	9124818 (60.00)	6083722 (40.00)	15208540 (100.00)
10	2019	9184255 (60.00)	6123382 (40.00)	15307637 (100.00)
11	2020	2773207 (60.00)	1849066 (40.00)	4622273 (100.00)

Figures in parentheses show the percentage.

Source: Statistical Bulletin 2020, Deptt. Of Tourism, Government of Odisha

According to the **Statistical Bulletin 2020**, department of Tourism, Odisha, West Bengal is continued to be the major tourist generating state for Odisha contributing 14.02 percent of the total domestic tourist of 46,22,273 during 2020 and it is followed by Andhra Pradesh (3.48 %), Maharashtra (2.64%), Madhya Pradesh (2.45%), Chhattisgarh (2.32%), Uttar Pradesh(2.31%), and Jharkhand(2.06%).

The district wise share of tourists in Odisha shows that the total tourist share is the maximum in the Puri district. Puri has the maximum share of both domestic and foreign tourist in the state. It accounts for 36 percent of the total tourists visiting to Odisha and it is followed by Khorda (12.8percent), Balasore (7.66 Percent) and Cuttack (5.3 percent)

Table 4
Odisha's share in National Tourist Arrivals

Sl No	Year	India	Odisha	Share
1	2010	5775692	50432	0.87
2	2011	6309222	60722	0.96
3	2012	6577745	64719	0.97
4	2013	6967601	66675	0.96
5	2014	7679099	71426	0.93
6	2015	8027133	66971	0.83
7	2016	8804411	76361	0.87
8	2017	10035803	100014	0.99
9	2018	10557929	110818	1.05
10	2019	10557976	115128	1.09
11	2020	7171769	10206	0.14

Source: Statistical Bulletin 2020, Deptt. Of Tourism, Government of Odisha

The table-4 reveals that the percentage share of the Odisha tourist among national tourist is fluctuating during the period from the year 2010 to the year 2020. Above table-4 reveals that percentage share of Odisha tourist to total national tourist is less than 1 except the year 2018 and 2019 which is 1.05 & 1.09 respectively. During the period 2020 it is very negligible i.e. 0.14 percent.

Income Generation by Tourism

The growth in tourism strengthens the local economy as it helps flow of money including foreign exchange earnings from one region to the other. The inflow of revenue through tourist's expenditure in Odisha is an important component in Gross State Domestic Product. Tourism contributes some contribution to the state gross domestic product. The table-5 represents the percentage change in the flow of money

through tourism expenditure during the period of 11 years. In the year 2010 the change of inflow of money was 10.15 percent with 10.39 percent change inflow of money due to foreign tourists. The drastic increase of total inflow of money 117.20 percent in the year 2013 but further it declined for next four years. In the year 2015 there was a negative growth rate of money flow through foreign tourists. This was due to consecutive occurrence of cyclone hits to Odisha. The drastic decline of tourist income in Odisha both domestic and foreign has seen in the year 2020 due Covid 19 pandemic.

Table 5
Inflow of Money through Tourist Expenditure in Odisha

Year	Total domestic tourist expenditure (in crore)	Percentage change	Total foreign tourist expenditure (in crore)	Percentage change	Grand Total (in crore)	Percentage change
2010	3811.67	10.15	161.49	10.39	3973.16	10.16
2011	4152.92	8.95	164.44	20.38	4347.36	9.42
2012	4545.46	9.45	207.24	6.59	4752.70	9.32
2013	10018.78	120.41	305.62	47.47	10324.40	117.21
2014	11031.36	10.10	327.39	7.12	11358.75	10.01
2015	12049.06	9.22	306.97	-6.23	12358.03	8.77
2016	13129.42	8.96	350.02	14.02	13479.44	9.09
2017	14323.82	9.09	458.43	30.97	14782.75	9.66
2018	15142.00	5.71	461.90	0.76	15603.90	5.55
2019	15240.67	0.65	479.87	3.89	15720.54	0.75
2020	4619.38	-69.69	42.54	-90.14	4661.92	-70.35

Source- Statistical Bulletin, 2020-21, 2019-20, Department of Tourism, Government of Odisha

Basic Infrastructure Services

The infrastructure of tourism development falls into two categories, such as basic and touristic. The basic facilities are roads, railways, electricity, water, external and internal transport, postal and telecommunication, medical care etc. where as accommodation, restaurant, public convenience, organized and guided tours,

recreation and guide services etc. constitute tourist facilities. Availability of basic facilities is the pre-requisite for creation of tourist facilities.

The hotel and tourism industries are strongly linked. Development of hotel industry is essential for the growth of tourism. Of late high priority has been given to the development and promotion of tourism as well as the hotel industry in Odisha. During 10th plan state spend Rs 38.45crores corresponding to this sector during 11th plan and 12th plan expenditure were 157.49 core and 511.02 core respectively for the tourism in Odisha. The government is constantly increasing the budget to meet the expenditure for expansion and beautification of tourist places to attract more and more tourists.

According to hotel tariff and the spending capacity of tourists, the existing hotels in Odisha have been broadly classified into three categories such as Low Spending Group (LSG), Middle Spending Group (MSP) and High Sending Group (HSG). In case of Low Spending Group the average tariff per day is up to Rs 900.00 and for Middle Spending Group and High Spending Group it is Rs 901.00 to 1800 and above Rs 1800 respectively. There are all total 2065 hotels of different categories functioning in Odisha and out which 359 hotels is high spending group category.

Table 6
Present Hotel Position in Odisha (as on 2020)

Category of Hotel	No of Hotels	No of Rooms	No of Beds
High Spending Group (HSG)	359	12768	26777
Middle Spending Group (MSG)	579	11775	24266
Low Spending Group (LSG)	1127	18978	36676
Total	2065	43521	87719

In addition to hotel and restaurant, at present 27 tourist units in various categories, i.e. Panthasala, Panthika, Tourist Complex and Yatrivas with 543 rooms and 1188 beds are on function under the Odisha Tourism Development Corporation (OTDC.) The OTDC promotes tourism in the state and operate some of the existing bungalows and transportation fleet in commercial basis. Odisha Forest Department Corporation (OFDC) manages eco-tourism destination in the state.

There are seven tourist information centres in which three is in Odisha at Bhubaneswar Airport, Bhubaneswar railway station and Puri Railway station and other four outside of Odisha at Howrah (West Bengal), Vizianagaram (Andhra Pradesh), Raipur (Chhattisgarh) and Navi Mumbai (Maharashtra) for assisting tourists.

After a lull in tourism owing to the Covid-19 pandemic, Odisha tourism department has decided to launch three new festivals-online music festivals, Hirakud Festival in Sambalpur district, Koraput Festival in Koraput district- this year in its bid to bring back visitors to the state.

During post-Covid period the department of Tourism plans to launch “Road to and through Odisha” initiatives to attract tourists. The tourism department would also tap the markets in neighbouring states like West Bengal, Andhra Pradesh, Chhattisgarh and Jharkhand to promote the interstate road trips.

The facilitation services in Odisha are quite inadequate. The poor airport facilities are major constraints in development of tourism. In Odisha has a vast tourism potential as compared to any other states but it is still lacking behind in prospect to tourism infrastructure.

Along with government effort private sector participation administrative improvement, travel tourism research adoption of integrated and coordinated tourism development programmes and mass participation tourism in Odisha can be developed along the lines of other states.

Sustainable Development

Haphazard and uncontrolled growth of tourism can destroy the very base of tourism. In implementation of present tourism policy, special measures have to be taken develop tourism in accordance with environment impact, coming capacity, instruments of special and land use planning, strategy for preparing the local community to safeguard its cultural identity and awareness programmes for local participation. Odisha has a relative low share of foreign tourists. This is important because foreign tourists spend more than four times as much as domestic tourists. Even among domestic tourists majority of tourists are from within the state. The need to boost foreign and domestic tourists from outside the state points to the need of spreading greater awareness. The share of tourism in Odisha GSVAs was about 2.43 percent in 2015-16(NCAER-2019). Services like hotels/restaurants, transport, travel agencies etc. depend heavily on tourist arrival in the state for their income and earnings. The value of tourism in GSVAs and employment multiplier for Odisha is estimated at 2.05 and 2.29 percent respectively. These measures have the indirect benefits that tourism sector provides to the economy's output and employment.

Conclusion

Now apart from traditional tourism, medical tourism, eco-tourism and adventure tourism have added new dimensions to tourism industry. Tourism is being a labour intensive activity; it has the power to generate employment on a large scale in activities of hotels, transports, shopping, food, entertainment and other areas. Thus, this sector has the potential of generating income, reducing poverty, and increases the living standard of rural poor masses. It can be aptly said that tourism is an engine of economic growth and development and a direct multiplier of employment and poverty eradication strategy. To develop tourism sector in Odisha the state government, Tourism department, political parties, voluntary organization and people at should play a greater role to boost the industry in coming years. Tourism can be best alternative to bring about balanced development in economic front. Above all it will be a significant role in national integration.

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