

Impact of Tourism on Indian Economy after Liberalization:
Madhya Pradesh

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ABSTRACT

The purpose behind this investigation is to decide how the tourist industry impacts the economy of Madhya Pradesh. The monetary effects can be estimated through GDP development, work development, framework development, and so forth. Gross domestic product was considered in this investigation to gauge the economic effects. The information for GDP and the tourist industry was taken to check if the tourist industry has positive or negative economic effects. It is speculated that travel industry positively affects the economy. As indicated by numerous analysts, the tourist industry, particularly outside sightseers, fundamentally impacts the economy of the goal. Analysts contend that work openings and exchanging are straightforwardly connected to the travel industry. Regression Analysis was led in this examination to test the economic effects of the tourist industry in Madhya Pradesh. The outcomes indicated that tourist industry has huge monetary effects on Madhya Pradesh. This paper concludes that rural tourism has positive economic impacts on Madhya Pradesh.

Keywords—Tourists, Economic, GDP, Trade.

INTRODUCTION:

The tourist industry is one of the quickest developing ventures on the planet. It is one of the extraordinary methods for advancing social mindfulness and protecting the neighborhood conventions of a specific nation. The tourist industry is acknowledged all around as it helps in the monetary and social advancement of the nation. It is considered as a motor for the development of the economy. The state can create overwhelming salary through the travel industry and can utilize it for improvement reason. Salary from the tourist industry can be put resources into building up the framework and administrations of the state.

The tourist industry helps in building up the economy with manageability. Madhya Pradesh is among the best places to visit in India. The tourist industry is an indispensable piece of Madhya Pradesh. The provincial goals are surprising. The state had won the Best State Tourism National Award in the year 2015, 2016 and 2017. Madhya Pradesh is an agribusiness based economy. Most of the populace in Madhya Pradesh wins their work through horticulture. Madhya Pradesh contributed around \$126 billion to the complete GDP of India for the year 2017-2018. Madhya Pradesh is perhaps the biggest state in India and as the name recommends, it is in India. There is various bewildering spots to visit in Madhya Pradesh. The travel industry expands the open doors for work and exchange the state.

OBJECTIVE OF STUDY:

1. To analyses the contribution between the GDP of Madhya Pradesh and Tourism.
2. To analyze the significant of impact of tourism on Madhya Pradesh.

LITERATURE REVIEW:

Lal Pritam (2012) led an examination on the monetary effects of the travel industry in his exploration paper titled as "The travel industry approach of Jammu and Kashmir 1995 and Sustainable Tourism: A Study of Rural Residents' Attitude towards Tourism". He examined different great and terrible monetary, social, social, and natural effects of the travel industry. He underlined that travel industry makes neighborhood work in the travel industry part as well as in the asset the board divisions that help the travel industry (Lal, 2012). It animates household businesses comprised of eateries, inn administrations, transportation framework, nourishment administrations and guide administrations. New cash gets infused when remote visitors come to visit (Lal, 2012). He said that occupations in country territories get expanded altogether where there are not very many openings for work accessible. In Madhya Pradesh, practically 80% of the workforce is occupied with agribusiness exercises (Lal, 2012).

The general economy might be inspired with expanded the travel industry in rustic regions in Madhya Pradesh (Lal, 2012). There are likewise some terrible monetary perspectives examined by Lal Pritam (2012) in the paper. He contends that there is a necessity of scarcely any aptitudes to exploit business produced through the travel industry and the representative can be low paying too. Because of good the travel industry, wellbeing and police administrations get expanded at the expense of neighborhood charges. There will be a blend of good and awful financial effects on the economy when rustic the travel industry increments. In this manner, rustic the travel industry in Madhya Pradesh will influence its economy. The positive and negative effect depends on how local people will exploit the travel industry.

Rakesh Kumar (2011) considered the rustic the travel industry in Himachal Pradesh. As indicated by him, there are not just business open doors for local people of the state because of the travel industry however it likewise fills in as a wellspring of advertising of a spot for potential neighborhood firms with the goal that the visitors visit the spot as often as possible. The travel industry makes the personal satisfaction of nearby occupants better (Kumar, 2011). Local people may connect with the guests and can find out about other various things, for example, their way of life. They can expect to think in a more extensive manner. In Madhya Pradesh, the travel industry is expanding at a decent pace each year (Kumar, 2011). He additionally underlined that business openings in rustic regions must ascent with the expanded the travel industry which will additionally help in the development of the economy (Kumar, 2011). Specialist underlines that provincial the travel industry is multi-faceted the travel industry (Kumar, 2011). It comprises of social the travel industry, eco-the travel industry, nature the travel industry, and agribusiness the travel industry. There must be a financial upliftment of country individuals as they get the chance to exchange their property's magnificence (Kumar, 2011). Vacationers exhaust a lot of cash while visiting the country places. Voyagers discover nourishment, garments, show-stoppers, and so forth appealing and like acquiring them. They like clicking their minutes on the camera. In spite of the fact that nowadays a large portion of the sightseers get their own camera, some still contract a picture taker to get great quality photographs and that help the nearby picture takers in gaining their job.

Poonam Mishra (2017) in her examination paper on Madhya Pradesh the travel industry talked about that travel industry can possibly acquire changes the financial states of any state.

She depicted the travel industry as the two-cutting edge scissor on the grounds that it builds up the financial states of the state by expanding the open doors for nearby brokers and the travel industry firms on one hand, while then again, it expects to safeguard the way of life and condition of the state (Mishra, 2017). She examined the effect of movement and the travel industry on the GDP (Gross Domestic Product) and found that GDP considerably expanded from the period 2004 to 2015. As indicated by her exploration, the GDP expanded to Rs. 7962.5 billion by 2015 from Rs. 2738.70 billion of every 2004 (Mishra, 2017). She found that in the timeframe somewhere in the range of 2010 and 2012, there was a lessening in the development pace of the travel industry. The work share additionally diminished by 2015 to 7.7% from 11% in 2004 (Mishra, 2017). It shows that there is a critical effect on a nation sees because of the travel industry. It legitimately impacts the GDP of the nation. The provincial the travel industry has more noteworthy essentialness concurring in light of the fact that it prompts in general upliftment of the state. It has been seen that the administration at times can't arrive at country zones to execute their improvement strategies. Hence, when the provincial the travel industry expands government likewise attempts to arrive at those spots to build up their framework.

Geetha and Sreedevi (2014) underscore that travel industry prompts redistribution of pay as it moves the pay starting with one nation then onto the next. As per them, the advantages of the travel industry rely upon the independence of the locale which is facilitating. The riches age from remote the travel industry is same as the gaining from trades (Sreedevi and Geetha, 2014). The travel industry upheld the development of areas which are not legitimately identified with the travel industry, for example, poultry, development, crafted works, agribusiness, and agriculture. The street and railroad availability will increment when the administration will watch great the travel industry in provincial regions (Sreedevi and Geetha, 2014). Advancement of streets and railroads in country regions decidedly impacts the economy of the state. Improvement of foundation makes new position open doors for the provincial workforce which additionally prompts broadening of occupations in the country territories. As I referenced above, around 80% of Madhya Pradesh workforce is occupied with agribusiness division which shows how undiversified is Madhya Pradesh business area (Sreedevi and Geetha, 2014). It depicts the shortcoming of Madhya Pradesh in giving openings for work to their work power. The country the travel industry may support the youthful age workforce to take part in progressively beneficial occupations which will likewise expand the monetary development of the state (Sreedevi and Geetha, 2014).

RESEARCH METHODOLOGY:

Secondary data was used in the study to determine whether there is good or bad impact rural tourism will put on the economic condition of Madhya Pradesh. The data was taken from journals, research papers, research articles and government websites. Data for tourists' arrival, infrastructure development in rural areas, growth in employment opportunities, gross state domestic product has been taken to get the best possible outcome. Various different sources were used to collect the data. A method of regression analysis between tourist arrival and infrastructure and employment development has been used to determine the economic impact. There must be a positive correlation between the tourist's arrival and infrastructure development in Madhya Pradesh

DATA COLLECTION:

For the completion of research paper data has been collected from the following .

- **Data collection:**
In this study the data has been collected from secondary sources.
- **Secondary Data:**
Secondary data collected from the Books, the Internet, magazines, Journals and different types of research papers, etc.

Table 1: Foreign tourism in Madhya Pradesh

Year	Foreign Tourism (in lakhs)
2008	2
2009	2.3
2010	2.52
2011	2.69
2012	2.76
2013	2.8
2014	3.17
2015	4.21
2016	3.63
2017	3.66

Source : tourism.gov.in

Table 2: Data for GDP of Madhya Pradesh (GDP of Madhya Pradesh 201 data.gov.in)

Year	GDP (in lakh crore)
2008	1.97
2009	2.27
2010	2.63
2011	3.12
2012	3.72
2013	4.51
2014	5.08
2015	6.42
2016	7.14
2017	8.26

Source : GDP of Madhya Pradesh 201 data.gov.in

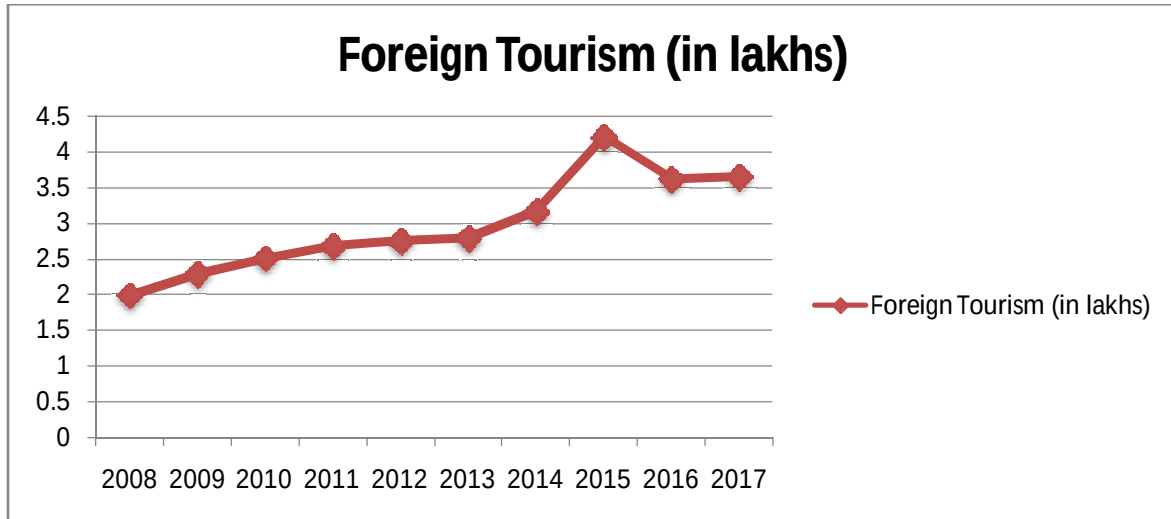
INTERPRETATION:

Fig. 1: Graph showing foreign tourism in Madhya Pradesh

The above graph shows that foreign tourism in Madhya Pradesh expanded altogether from 2008 to 2015. After 2015, there is a decline in the number of foreign tourists' arrival in Madhya Pradesh. It was concluded by many researchers that tourism always impacts the economy positively. Therefore, there must be a positive correlation between tourism arrivals and economic impact on the state.

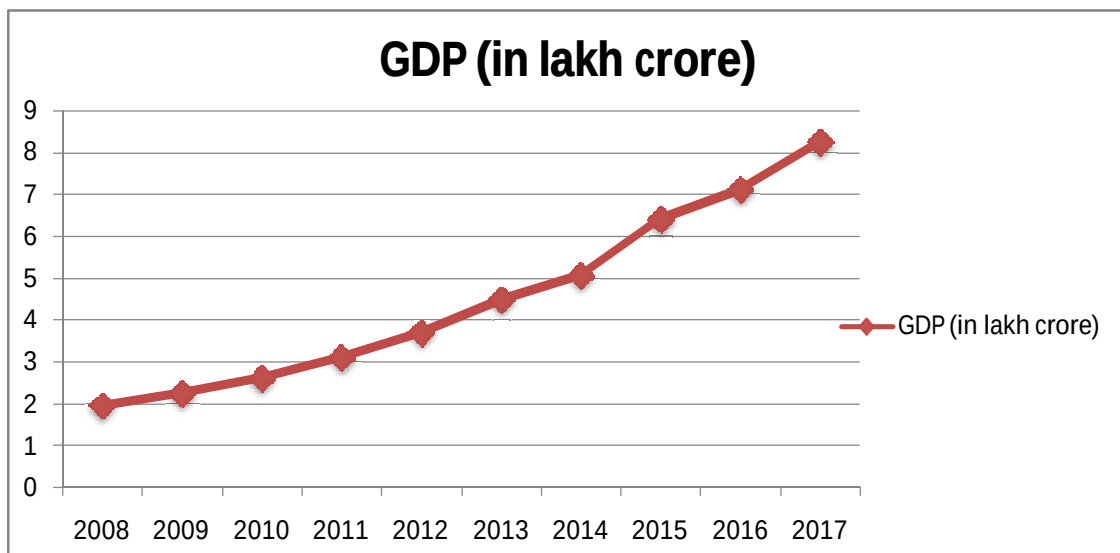


Fig. 2: Graph showing GDP of Madhya Pradesh

The above graph shows that the GDP of Madhya Pradesh is increasing constantly after

liberalization. Above graph depicts that GDP of Madhya Pradesh is growing from 2008. Moreover, In 2017 GDP is 8.26 lakhs crore which is greater than ever.

Regression Analysis: The regression analysis is to check how the tourism arrival impacts the economy.

Null and Alternate Hypothesis

H₀: $\mu = 0$ Tourism has no significant economic impact on GDP of Madhya Pradesh.

H₁: $\mu > 0$ Tourism has a significant economic impact on GDP of Madhya Pradesh.

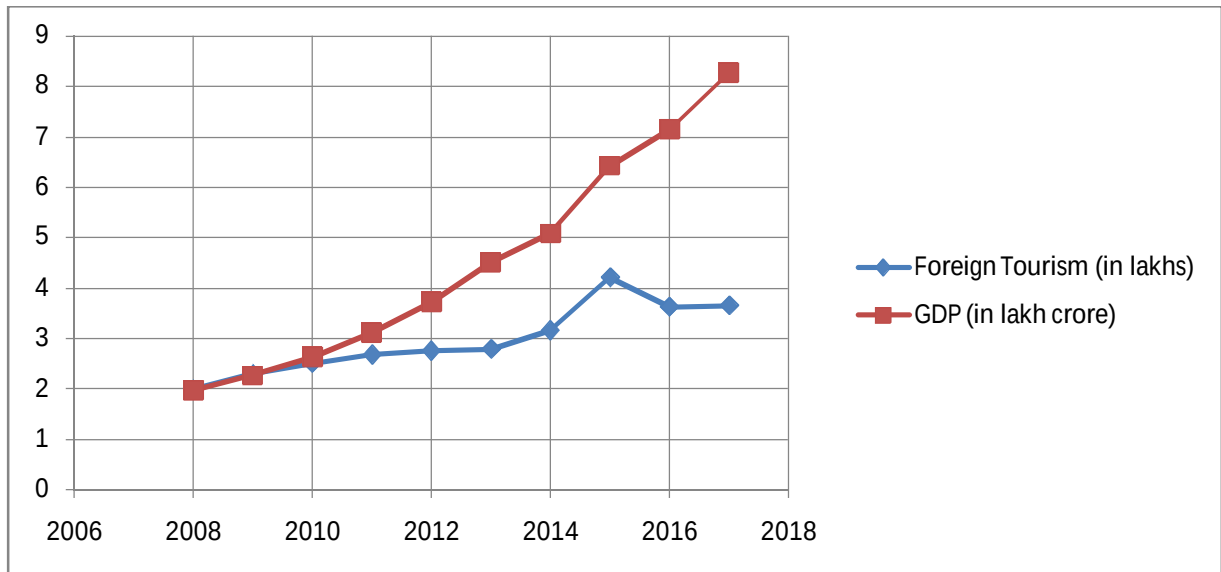
Following regression results have been driven:

t-Test: Two-Sample Assuming Equal Variances		
	<i>Foreign Tourism (in lakhs) x</i>	<i>GDP (in lakh crore) y</i>
Mean	2.974	4.512
Variance	0.470315556	4.723573333
Observations	10	10
Pooled Variance	2.596944444	
Hypothesized Mean Difference	0	
df	18	
t Stat	-2.134076621	
P(T<=t) one-tail	0.023423099	
t Critical one-tail	1.734063592	
P(T<=t) two-tail	0.046846197	
t Critical two-tail	2.100922037	

Fig. 4: Regression analysis summary output

$$\text{GDP} = -4.024 + 2.88 \text{ Foreign Tourism}$$

The above regression equation depicts that GDP is a dependent variable which positively depends on the independent variable “Foreign Tourism”. In the above regression analysis “p-value” for a variable is less than significance value; data provided enough evidence to reject the null hypothesis for the entire population.



The above graph delineates that there is a positive connection between the tourism and the GDP of Madhya Pradesh. Foreign tourism in Madhya Pradesh expanded altogether from 2008 to 2015. After 2015, there is a decline in the number of foreign tourists' arrival in Madhya Pradesh. It was concluded by many researchers that tourism always impacts the economy positively. Therefore, there must be a positive correlation between tourism arrivals and economic impact on the state. The GDP estimates financial effect. Along these lines, the positive effect on GDP shows a positive effect on the economy.

CONCLUSION:

The tourism industry is among the most worthwhile businesses in India as of now. Madhya Pradesh is one of the most favored the travel industry states by tourist. The provincial regions merit viewing. Individuals from everywhere throughout the world come to appreciate the excellence of Madhya Pradesh. Writing thinks about during the exploration bolster the great financial effects of the tourism industry in the predetermined spots. In any case, a few analysts likewise talked about a couple of terrible monetary effects however they can be secured by the immense great financial effects, for example, expanding business openings and framework development. After measurably dissecting the connection between the GDP of Madhya Pradesh and Foreign Tourism, it very well may be presumed that there are great by and large financial effects of the travel industry on Madhya Pradesh.

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