

Economic Development through Tourism- A Case Study of Home Stay scheme of Himachal Pradesh

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Tourism and Economic Development

Tourism is an economic activity involving billions of dollars exchanged each month. Tourism in the world shows a positive growth rate since its beginning. India is a land of different culture, rituals, traditions, weather, mountains, rivers, plains, lakes, rivers etc. Today India is getting 0.87% tourist of all around the globe. Since the starting of Incredible India champagne the Indian travel market shows a positive growth rate.

Global Travel & Tourism contribution to direct GDP in 2013 is forecast to grow by 3.1%, compared to 3.2% in 2012. Travel & Tourism is again forecast to outpace growth of the total global economy (2.4%) in 2013. According to WTTC (WTTC, Asia, Nov., 2013) Travel & Tourism direct industry GDP in Asia reached \$US646 billion in 2013. Including its indirect and induced impacts, Travel & Tourism generated \$US 2.0 trillion in GDP, or 8.7% of Asia's GDP in 2013, exceeding that of the banking, mining, education, and higher education sectors. The Oxford Economics global industry model projects Travel & Tourism GDP to grow 5.3% per annum (compound annual growth) over the next decade. Travel & Tourism generated a total impact of \$US 128 billion of India's GDP in 2013 (WTTC, India, Nov., 2013). Based on its direct, indirect, and induced GDP impact, Travel & Tourism generated 6.7% of India's GDP in 2013. In terms of its direct GDP, Travel & Tourism is nearly the same size as that of the mining, chemicals manufacturing, and education sectors. Travel & Tourism sustained a total of 39.4 million direct, indirect, and induced jobs in India in 2013. Travel & Tourism generated, either directly or indirectly, 7.6% of employment in India in 2013. Travel & Tourism direct industry GDP expanded 273% between 1990 and 2013 while the total economy expanded 315%. Travel & Tourism GDP is expected to grow at an annual average of 7.9% over the next decade. Travel & Tourism is a significant source of export revenue for India. For every \$1 million in Travel & Tourism spending, 407 jobs are supported. (258 direct, 94 indirect, and 55 induced). This compares favourably to the average of the economy, which generates 599 jobs per \$1 million in spending. Financial services: 329 jobs per \$1 million. Auto manufacturing: 315 jobs per \$1 million. Communications: 381 jobs per \$1 million. Chemicals: 231 jobs per \$1 million. There is no doubt that tourism, frequently referred as the world's largest industry, is big business. By the end of the 20th century,

international tourism alone was annually generating well over US\$ 450 billion, whilst total global tourism activity has been estimated to be worth some US\$ 3 Trillion.

Home Stay Scheme of Himachal Pradesh

Himachal is situated in the western Himalayas. Covering an area of 55,673 kilometres (34,594 mi), it is a mountainous state with elevation ranging from about 350 metres (1,148 ft) to 7,000 metres (22,966 ft) above the sea level. With the aim of providing comfortable Home Stay facilities of standardized world class services to the tourists, and to supplement the availability of accommodation in the rural tourist destinations, State Government introduces Home Stay Facilities on the basis of Ministry of Tourism, Government of India "Incredible India Bed and Breakfast scheme. The basic idea is to provide a clean and affordable place for foreigners and domestic tourists alike including an opportunity for foreign tourists to stay with Himachali families to experience Himachali customs and traditions and relish authentic Indian/Himachali cuisine. Home Stay Units, once approved by Department of Tourism, H.P. will be duly publicized. A directory of all such approved establishments will also be prepared, so as to enable domestic as well as foreign tourists to live in a homely environment and to take advantage of the scheme. In addition, efforts will be made to organize short term training in hospitality trade to those who would opt for such training. Home Stay scheme have the following objectives:-

- (a) Broaden the stake holder's base for tourism in the State.
- (b) Take tourism to the rural and interior areas of the State.
- (c) Decongest the Urban areas, which cannot support any further tourism load.
- (d) Provide employment and economic values in the interior areas.
- (e) The activity shall be ecologically sustainable.

Research Objectives

1. To examine the role of Home Stays as accommodation facility in rural areas.

Review of Literature

Economic development is a process whereby an economy's real national income as well as per capital income increases over a long period of time. Tourism benefits have different and more significant impacts on destination countries due to their specific features. Tourism-led growth tends to occur when tourism demonstrates a stimulating influence across the overall economy in the form of spill over and other. Other economic benefits derived from tourism activity include tax revenues, employments and additional sources of income (Khan, Seng, & Cheong, 1990; Uysal & Gitelson, 1994; West, 1993[1,2,3]). It is generally assumed that tourism expansion should have a positive contribution to economic growth. The rapid growth of tourism led to a growth of household incomes and government revenues directly and indirectly by means of multiplier effects, improving balance of payments and provoking tourism-promoted government policies. As a result, the development of tourism has usually been considered a positive contribution to economic growth. The pivotal role of

tourism has been well documented in literature, and tourism is often perceived as a catalyst for national and regional economic development, revitalizing communities and providing benefit to the local population (Andereck & Vogt, 2000; McGehee & Andereck, 2004[4,5]). However, apart from its economic contribution, tourism also result in a number of social, cultural and environment impact on the host community (Besculides, Lee, & McCormick, 2002; Bestard & Nadal, 2007[6,7]). Considering both the positive and negative potential effects on destination communities, researchers propose that tourism should be developed in coordination with the local community's value and environment. Tourism has assumed very high significance in the development of the economy (Kartik, Clement, 1998[8]). It is often assumed that Tourism provides a mean of relieving poverty. Indeed international organisation such as World tourism Organisation often links its development with potential for poverty relief and rural development. However apart from studies of specific projects and programs that indicate how this industry can assert poverty relief (Ashley and Roe, 2002[9]). World tourism can contribute to the establishment of a new international economic order that will help to eliminate the widening economic gap between developing countries and ensure the steady acceleration of economic and social development and progress, in particular in developing countries.

Research Methodology

Present study is based on secondary data collected from home stays about the number of tourists they catered, consisting 15 home stays of Kullu region and 10 from Shimla region from 2010 to 2013. There were 2-3 rooms in each home stay.

Findings

Table below showing the number of tourists stayed in Home stays

Destination	No of Units	No. Of Rooms	No. Tourists in 2011	No. Tourists in 2012	No. Tourists in 2013
Kullu	15	42	18480	21012	24864
Shimla	10	30	8100	10800	14150

(Source- collected from home stay units' visitor register)

According to the data related to the number of tourists stayed in these home stay units it is clear that there is an increase of more than 12 % in each year. In 2011, at Kullu, 15 home stay units accommodated 18480 tourists. In 2012 these accommodated 21012 tourists and there were an increase of 12.5%. In 2013, it was 24864 with an increase of 15.49%. At Shimla, in 2011 out of surveyed 10 Home stay units accommodated 8100 tourists. In 2012 they accommodated 10800 tourists and there were increase of 25% then to last year. In 2013 there were 14150 tourists with an increase of 23.64%. It is clear that home stay units in Kullu and Shimla are getting adequate number of tourists and locals are getting good opportunities for earning. This is a tool of development in these remote rural areas.

Conclusion

Home stays units are the best option among the tourists to stay in rural areas and to cherish the unique beauty of local culture and cuisine. Home stays are providing essential earning to the locals. This is the tool of development in the rural areas where no other options are available. These units are also helps in the preservation of culture and environment protection.

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