

Role of tourism development schemes like VCSGPSY in tourism development in the state of Uttarakhand

Rohit Joshi

Research Scholar,
Department of Commerce DSB Campus,
Kumaun University, Nainital, India

Prof. B. D. Kavidayal

Ex. Dean & Head, Department of Commerce
DSB Campus
Kumaun University, Nainital, India

Abstract

Tourism is an industry that has helped in creation of wealth for masses directly and indirectly throughout the world. Uttarakhand being a tourist hotspot is enviably dependent on tourism related activities for generation of income and employment in the state. In the current paper an attempt was made to critically evaluate of one such tourism development scheme (VCSGPSY). The study was based on the list of 598 beneficiaries of the Nainital district of the Kumaun region, to which subsidy under various heads under the tourism development scheme were provided on the loan taken by them. The collected data is tabulated, frequency tables are prepared and charts are drawn and presented. The following were the important observations; the scheme has helped in employment generation but is concentrated towards disbursement of vehicular loans only. The study also reflects that major beneficiaries are of the upper caste and majority of them are male applicants. Further the distribution of loans is observed to be done more in urban blocks. Reverse migration can be assured by making the scheme focused more on skilled workers working in tourism sector outside the state.

Keywords: Tourism development, Employment, Subsidy, Reverse Migration

Introduction

Tourism in Uttarakhand has played a vital role in shaping up the landscape of the state and has also helped the state in attaining widespread growth and economic development for all. These have been many efforts made from time to time by the government to give a boost to the tourism industry in the state. One such attempt to promote tourism in the state was done through introduction of the Veer Chandra Singh Garhwali Paryatan Swarojgar Yojna with the objective of providing employment opportunities to the youth for development of various tourism facilities in the state. Under the scheme various opportunities for development of Hotels, Guest houses, Tourist Information Centres, & purchase of Vehicle, Trek equipment etc. were given by the government. Loans were given to the beneficiaries under various heads along with a subsidy of 20%, 25% and 33% depending on the times and the head that one applied for.

Objective of the study

- To evaluate the level of quality, accessibility, and sustainability of the infrastructure and amenities for tourism created under the scheme.
- To provide the detailed analysis of the benefit derived under the scheme
- To know about employment generation done under the scheme
- To analyse the disbursement of loan under various heads under the scheme

Review of Literature

Tourism has been one of the most fascinating topics for the researcher's worldwide. It contributes not only in employment generation but also helps in economic development through empowerment of man and resources in the areas that tourism activities takes place. Tourism has long been recognized as a key driver of economic growth, particularly in developing countries (Ardahaey, 2011). The tourism industry can create new jobs, both directly and indirectly, while also generating foreign exchange income and increasing tax revenues. Additionally, tourism can lead to the development of infrastructure

and have positive spill over effects on other sectors of the economy (Castro et al., 2020). However, the relationship between tourism and economic growth is not always straightforward. Empirical studies have found inconsistent results, with some studies demonstrating a positive impact of tourism on growth, while others have found either a negative or unclear effect (Castro et al., 2020). One review of 346 papers found that around 69% confirmed a positive impact, 9% a negative impact, and 11% a weak or unclear impact, with the results varying across different income groups (Castro et al., 2020). Some of the potential negative economic impacts of tourism development include the crowding out of local businesses, the leakage of tourism-related expenditure out of the host country, the high costs of tourism-related infrastructure, and the instability of tourism-related employment (Dwyer et al., 2009). Furthermore, tourism can sometimes lead to inflation and the prioritization of tourism over other economic activities (Ardahaey, 2011) (Dwyer et al., 2009). Tourism is recognized as a significant driver of economic growth and development, with its ability to generate employment opportunities and alleviate poverty (Odhiambo & Nyasha, 2019). According to the United Nations World Tourism Organization, tourism can account for up to 40% of the GDP and jobs in the least developed countries and more than 70% of their total service trade revenue (Wang & Liu, 2020).

The development of the tourism industry can be particularly important for less developed countries facing high unemployment rates, foreign exchange resource constraints, and a single-product economy (Godara et al., 2020). Tourism can create job opportunities for both unskilled and skilled workers, with estimates suggesting that every six tourists entering a country creates one job opportunity (Godara et al., 2020).

In India, for instance, it is estimated that every one million dollars invested in tourism creates 47.5 jobs directly and around 85–90 jobs indirectly (Agrawal, 2016). Tourism is not only a growth engine but also an employment generator, with the capacity to create large-scale employment both directly and indirectly through the multiplier effect (Agrawal, 2016).

Moreover, tourism development is seen as a key to many countries' economies and livelihoods, as well as a poverty alleviation agent (Odhiambo & Nyasha, 2019). Tourism features in three of the 17 Sustainable Development Goals, which set the tone for global development until 2030, underscoring its importance in promoting economic growth, decent employment, and sustainable production and consumption (Odhiambo & Nyasha, 2019).

Given the significance of tourism for economic and social development, many developing countries have utilized their resource advantages to enhance tourism's competitiveness and boost economic growth (Wang & Liu, 2020). Tourism development has the potential to translate to poverty reduction through the promotion of sustainable economic growth and development, decent employment, and the sustainable use of natural resources (Odhiambo & Nyasha, 2019).

The tourism industry in India has experienced significant growth and development over the past few decades, becoming a crucial driver of the country's economic and social progress. Research on the dynamics of tourism in India has gained considerable attention from both academics and practitioners, with a growing body of literature examining various aspects of the industry. One such study is a comprehensive review of Indian tourism and hospitality research publications, which analysed 182 academic papers published between 1981 and 2012 (Singh, 2016). The findings of this review indicate that research themes have become increasingly diversified, reflecting the evolving nature of the tourism industry in India. The review also notes the continuous increase in research productivity of universities and institutes located within India, underscoring the growing importance of the topic. The rapid growth of the tourism sector in India can be attributed to a range of factors, including the country's rich cultural heritage, diverse natural landscapes, and expanding middle-class population

with an increasing disposable income (Singh, 2016). The potential for further tourism development in India has also been recognized, with projections suggesting that the country will become the third-fastest-growing tourism nation by 2023 (Kaur & Kansra, 2018).

Nestled in the majestic Himalayan region of northern India, the state of Uttarakhand has long been a beloved destination for both domestic and international travellers, who are drawn to its breath-taking natural landscapes, charming hill towns, and rich cultural heritage. In recent years, the Uttarakhand government has implemented various tourism development schemes in an effort to harness the state's immense potential as a tourist hub and drive sustainable economic growth. However, the development of the tourism industry in Uttarakhand has not been without its challenges. A comprehensive analysis of the existing literature reveals both the problems and prospects of tourism development in Uttarakhand. Researchers have highlighted the state's immense potential for tourism, citing its natural attractions such as the Himalayas, valleys, lakes, and wildlife sanctuaries (Chandra & Kumar, 2021). Furthermore, the state's cultural and spiritual offerings, including the four world-famous shrines, traditional lifestyles, and local products, have been identified as significant tourism draws (Chandra & Kumar, 2021).

Despite this potential, the tourism industry in Uttarakhand faces a range of challenges, as identified by various studies. These include infrastructural deficiencies, environmental degradation, lack of skilled workforce, and unplanned development (Joveriya & Mariya, 2019). The overcrowding of popular tourist destinations and the resulting strain on resources and amenities have also been noted as concerns (Joveriya & Mariya, 2019).

The literature on tourism development in Uttarakhand highlights the state's immense potential for tourism as a growing industry, there is also a need to adopt a comprehensive and sustainable approach to address the challenges facing the industry. Many researches have been carried out highlighting the importance and development of tourism in India and Uttarakhand, the researches have also focused on the potential of tourism sector in the state, the role of tourism development in employment generation, the problem caused to the people by over tourism, providing suggesting & solutions to it. But no attempt has been made specifically in evaluating of tourism development schemes that were adopted by the government for tourism expansion in the state. The current study is an attempt in providing the insights on evaluating one such tourism development scheme (VCSGPSY) in creations of employment and expansion of tourism resources in the state.

Data Analysis- The data presented here is based on the secondary data collected from various district tourism development offices. For the study the data of Nainital district is taken for the analysis. The study period is taken from the inception of the scheme in 2002-03 till 2017-18. There were around 598 beneficiaries of the scheme, who have been granted loan under various heads for development of tourism resources. The major finding of the data collected are tabulated and further presented with the help of frequency tables, Graphs & Pie-Charts.

Table 1 Table showing the no of beneficiaries block wise and average plan cost and Grant

NAME OF THE BLOCKS	NO OF BENEFICIARIES	AVERAGE OF PLAN COSTS	AVERAGE OF GRANT
BHIMTAL	243	655146	142309
HALDWANI	150	1158493	249445
RAMNAGAR	72	865696	181219
BETALGHAT	47	759353	187498
RAMGARH	37	725379	158682
KOTABAGH	21	1223343	285427
DHARI	20	1094740	240556
OKLKANDA	8	832602	175719
GRAND TOTAL	598	856319	187191

The above table shows that maximum beneficiaries of the scheme 243 are from the Bhimtal block followed up by Haldwani & Ramnagar block, which are having greater urban settlements. The rural block only have a handful of beneficiaries Betalghat 47, Ramgarh has 37, kotabagh 21, Dhari 20 and Oklkanda just have 8 beneficiaries. So it can be concluded that the scheme is much more popular in the urban pockets and not much awareness about the scheme has reached to the rural areas. Further it can also be observed that the Average grant received under the scheme is maximum in Kotabagh & Haldwani block and the lowest is in the Ramgarh and Bhimtal block. This can be attributed to the large number of beneficiaries applying for the loan from the Bhimtal district under diversified schemes involving lower project cost and only 62% applying for loans under motel and vehicular loan involving higher project cost, whereas the out of 21 beneficiaries in Kotabagh district 90% have applied under the motel and vehicular loan.

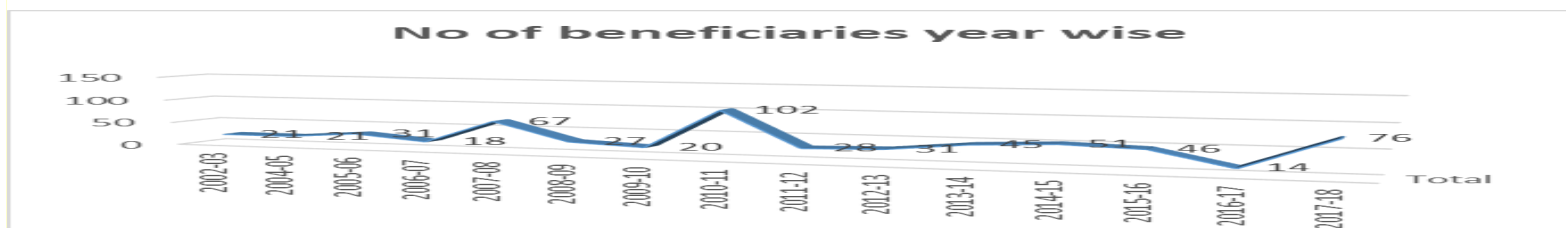
Table 2: Table showing caste wise average distribution of loans and grants

Caste Category	No of beneficiaries	Percentage of Total	Average of Plan costs	Average of Grant
General (Ex-Army)	1	0.17%	4000000	1000000
Motel	1	0.17%	4000000	1000000
General (female)	17	2.84%	1225971	336654
Motel	11	1.84%	1488773	430011
Souvenir Shop	2	0.33%	100000	20000
Vehicle	3	0.50%	755000	151000
Yoga Meditation Centre	1	0.17%	2000000	500000
OBC (female)	4	0.67%	899706	219302
Camping Site	1	0.17%	450000	90000
Motel	2	0.33%	1231250	307813
Souvenir Shop	1	0.17%	686325	171581
General	435	72.74%	920356	199721
Adventure Equipment	2	0.33%	285909	71477
Adventure Boat	1	0.17%	750000	150000
Adventure Equipment	1	0.17%	1188000	392040
Adventure Tourism	1	0.17%	600000	150000
Boat Purchase	5	0.84%	88345	23625
Camel Purchase	1	0.17%	100000	20000
Camping Site	4	0.67%	1290500	239038
Fast Food Centre	11	1.84%	674182	149155
Meditation Centre	3	0.50%	1833333	458333
Motel	108	18.06%	1682119	379254
Motor Garage	4	0.67%	843750	207188
Motor Work Shop	1	0.17%	1000000	250000
Motor workshop	3	0.50%	2912500	316667
Paraglider purchasing	1	0.17%	300000	75000
PCO	1	0.17%	50000	10000
PCO Construction	1	0.17%	250000	62500
PCO Restaurant	5	0.84%	453900	90780
Photography Equipment	3	0.50%	192660	48165

Raft Purchase	5	0.84%	373870	106277
Restaurant	28	4.68%	1087920	223011
Souvenir	1	0.17%	300000	99000
Souvenir Shop	10	1.67%	363963	83771
Vehicle	235	39.30%	613302	129732
ST	6	1.00%	1029419	192977
Adventure Equipment	1	0.17%	1150000	287500
Motel	2	0.33%	1256250	314063
Vehicle	3	0.50%	838005	80746
SC	35	5.85%	812887	156988
Fast Food Centre	1	0.17%	225000	45000
Motel	5	0.84%	3065000	527831
Motor workshop	1	0.17%	500000	41250
Photography Equipment	7	1.17%	219000	57036
Vehicle	21	3.51%	517525	112854
OBC	100	16.72%	486561	108087
Amusement Park	1	0.17%	2000000	500000
Boat Purchase	4	0.67%	46450	11613
Bus Purchase	1	0.17%	3500000	875000
Fast Food Centre	3	0.50%	283333	59167
Horse Purchase	19	3.18%	54474	13618
Motel	6	1.00%	1075000	335833
PCO Restaurant	1	0.17%	200000	40000
Photography Equipment	8	1.34%	78750	19688
Restaurant	1	0.17%	1000000	250000
Souvenir Shop	3	0.50%	166667	41667
Vehicle	53	8.86%	609533	120067
Grand Total	598	100.00%	856319	187191

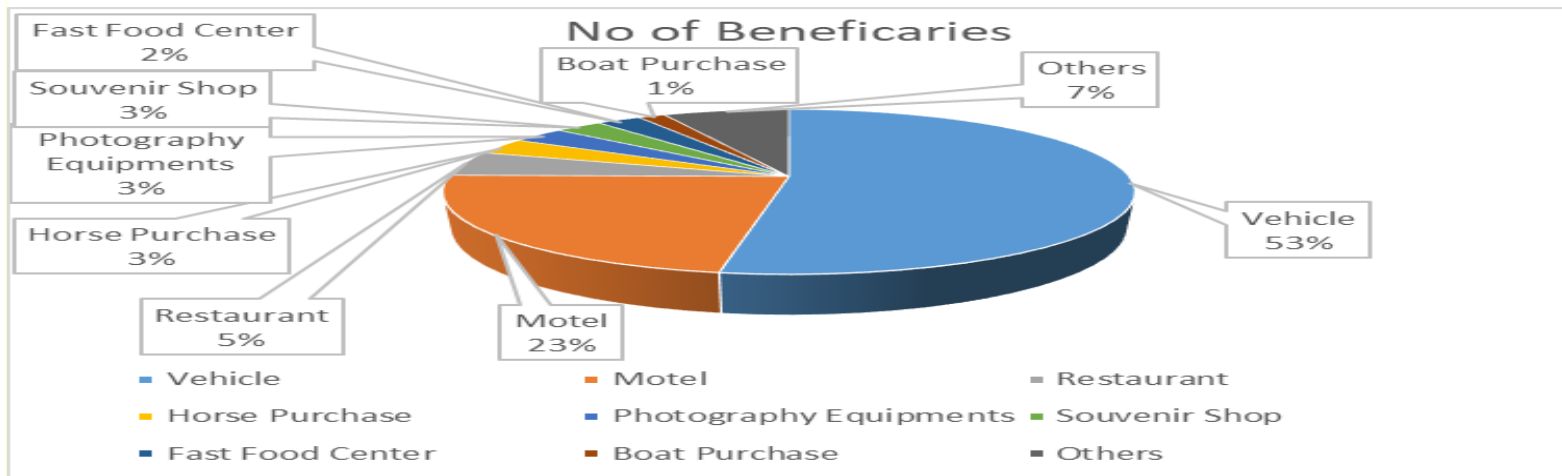
From the above table it is evident that maximum of the loan disbursement is done to the beneficiaries belonging to the General Caste i.e. 76% of the total loan given. Loan given to OBC's is around 17%, followed by 6% to SC and 1% to the ST category. Which shows a clear caste divide among the recipients of the loan. Also it is evident that only 3.51% of the loan has been given to the women entrepreneurs showing a very low women entrepreneurial participation under the scheme. Among general category the most preferred loan is Vehicular loan, followed by Motel and Restaurant. Among SC, ST and OBC too vehicular loan is the highest a negligible amount of loans have been applied under other heads. So the most loans disbursed under the Nainital district is under the vehicular head covering over 52.67% of the total loans given. The lower amount of loans taken by the OBC, SC & ST's under various other heads shows lower awareness and risk taking capacity of these entrepreneurs. General category applicants have applied for the most diverse heads showing higher level of awareness among them in comparison to others. As the loan applicants are less under other heads and most loan disbursed are for Vehicles, Motels & Restaurant, the government needs to promote the other heads covered under the scheme.

Figure 1: Line graph showing the no of loan beneficiaries in various years



The graph made using the frequency of loans taken in various years show a moderate trend of loans taken in various years, the peak applicants 102 were in the year 2010-11 and a minimum of 14 loan applications were received in the year 2016-17. The trend is increasing in the coming year shows a positive sign and more and more entrepreneurs can be attracted through promotion of schemes at the school and college level by creating awareness among the masses.

Figure 2: Pie-Chart showing the no of loans under various heads



As the above figure demonstrate; most loans 53% have been distributed under the Vehicular loan head, followed by Motel 23%, Restaurant 5%, also a 3% distribution under Horse Purchase, Photography Equipment and Souvenir Shop each is being observed, Loans taken under the Fast Food Centres and Boat Purchases are 2% and 1% respectively. Loans under various other miscellaneous heads were 7%. It is clear from the above description that the maximum loans taken are under Vehicular and Motel heads contribution of other heads a very negligible and can see improvements only if there is either restrictions of applicants under the vehicular head or widespread promotion of all other heads are insured through means of print, electronic and internet media.

Table 3: ANOVA table showing the difference between various Blocks

Anova: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Betalghat	47	8812391	187497.6809	11831849676		
Bhimtal	243	34580991	142308.6049	21541062249		
Dhari	20	4811128	240556.4	110354647177.83		
Haldwani	150	37416757	249445.0467	43472004316		
Kotabagh	21	5993957	285426.5238	60393048440		
Oklkanda	8	1405751	175718.875	15349418507		
Ramgarh	37	5871232	158681.9459	10396358698		
Ramnagar	72	13047751	181218.7639	33303113004		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1364150902248.18	7	194878700321.17	6.253801728	4.34E-07	2.025085
Within Groups	18385365923406.80	590	31161637158			
Total	19749516825654.90	597				

Interpretation: The summary table provides descriptive statistics for each group (location):

Betalghat: 47 observations, sum = 8,812,391, average = 187,497.68, variance = 11,831,849,676

Bhimtal: 243 observations, sum = 34,580,991, average = 142,308.60, variance = 21,541,062,249

Dhari: 20 observations, sum = 4,811,128, average = 240,556.4, variance = 110,355,000,000

Haldwani: 150 observations, sum = 37,416,757, average = 249,445.05, variance = 43,472,004,316

Kotabagh: 21 observations, sum = 5,993,957, average = 285,426.52, variance = 60,393,048,440

Okkanda: 8 observations, sum = 1,405,751, average = 175,718.88, variance = 15,349,418,507

Ramgarh: 37 observations, sum = 5,871,232, average = 158,681.95, variance = 10,396,358,698

Ramnagar: 72 observations, sum = 13,047,751, average = 181,218.76, variance = 33,303,113,004

ANOVA Table

The ANOVA table provides the results of the analysis of variance:

Source of Variation:

Between Groups:

Sum of Squares (SS): 1,364,150,902,248.18

Degrees of Freedom (df): 7

Mean Square (MS): 194,878,700,321.17

F-value: 6.253801728

P-value: 4.34231E-07

F critical value (F crit): 2.025084588

Within Groups:

Sum of Squares (SS): 18,385,365,923,406.80

Degrees of Freedom (df): 590

Mean Square (MS): 31,161,637,158

Total:

Sum of Squares (SS): 19,749,516,825,654.90

Degrees of Freedom (df): 597

Interpretation

Between Groups Analysis:

The F-value (6.253801728) is much greater than the critical value (2.025084588).

The P-value (4.34231E-07) is significantly lower than the common significance level (0.05).

Within Groups Analysis:

The within-group variation is captured by the sum of squares (SS) within groups, which is much larger compared to between groups.

Statistical Significance:

Since the F-value is greater than the F critical value and the P-value is less than 0.05, we reject the null hypothesis.

This indicates that there are statistically significant

differences between the means of the different groups (locations).

The ANOVA test indicates that at least one of the locations has a significantly different average value compared to the others. This suggests that the factor being studied varies significantly across these locations, and further post-hoc tests may be required to identify which specific groups differ from each other.

Findings and Suggestions

The scheme under consideration has generated employment for around 598 beneficiaries over a period of 15 years taking it to the average of around 40 entrepreneurs each year. As tourism is a field dependent on various ancillary services so providing loans given to these 40 entrepreneurs will help in further enhancing scope of employment generation and help the youth by providing jobs in the unorganised sector. As giving loans to more and more applicants can have a multiplier effect on employment generation. So, the government should target to disburse loans to at least 100 entrepreneurs every year.

The loan disbursement is skewed towards the general caste applicants as the maximum amount of loan given under the schemes are given to the general caste, The loans given under the schemes can be a good opportunities for social empowerment, government can make reservations for SC, ST & OBC so that more and more benefit of the schemes can be given to the masses setting at the lower strata of the society.

The loans distributed are majorly given to the Male entrepreneurs, the quantum of loan given to the Women entrepreneurs are very low i.e. less than 5% of the total loans availed. Reservations for the women's under the scheme can ensure better women participation which will help in providing empowerment and better opportunities for the women.

It was also observed that the loan were not uniformly distributed among all the blocks, the urban blocks of Bhimtal and Haldwani where cities like Nainital and Haldwani are situated has the higher concentration of beneficiaries, the rural blocks have lower number of beneficiaries. Although, for encouraging the rural population, greater subsidies of 33% is given on non-vehicular loans. More such efforts will be required for increasing community participations of the blocks were the number is beneficiaries is significantly low.

The loans given under the scheme is majorly concentrated on vehicular loans only, more than 50% loans availed by the beneficiaries in under only one head, rest of the heads do not attract higher number of applicants. To encourage more and more applicants to apply under

the other heads 33% subsidy is given under the rural areas on non-vehicular head. The government can either further increase the subsidy or can put more promotional efforts to encourage the applicants towards applying under the other heads as well. This will help in diversification and ensure equitable development of all the tourism related resources.

There are so many skilled workers in the tourism sector who have migrated from the hill in search of jobs to big metro cities. A Drive to identify and attract such skilled workers serving outside the state can be launched by the Tourism department. It can help in providing them employment with in the state and can lead towards reverse migration to the hills, helping in curtailing migration from the state.

A one-way ANOVA was performed to test the difference between grants received under various blocks. The test showed that at least one of the block has significant difference in the amount of grants received under the scheme.

Conclusions

Tourism is a major contributor to the GDP of Uttarakhand state. The state is expected to higher inflow of tourist in the decade to come as the projects like the Char Dham Priyojana is expected to give a boost to the road and railway infrastructure in the state. With the upsurge that the tourism industry in expected to have after the completion of the project, there will be greater demand of backend tourism services in the state. So for creation of these tourism related activities schemes like VCSGPSY would be extremely beneficial. The loans granted under the schemes not only helps in creation of self-employment for the residents, but also helps in creation of new jobs for people living in the area under with these benefits are received. The scheme has already helped in betterment of tourism related services in the state. But further efforts can be made for better administration of the loans disbursed and equitable distribution of loans and tourism resources among the applicants.

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