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Tourism As GDP & HRD Developer: A study report on Asian Region

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Abstract

Liberalization, Privatization & Globalization developed a wide market demand for tourism due to the change of the taste and preference of the people towards their leisure and entertainment through the globe. According to world Bank Indicator growth of this sector creating more demand for various types goods and services simultaneously with the tourism demand. Rising of the demand is developing a heavy employment generation and maximum utilization of the human resource skills and efficiency. Here the authors have taken the available data and an analysis to find out the relation between tourism with economic and human resource development.

Keywords: Tourism, economic growth, GDP, human resource development

Introduction

Post Globalised era justifies the importance of the tourism sector for the economic growth and employment generation. The growth of GDP through this service sector influences number of countries to go for the promotion and development of this service sector has its maximum privilege due to its various kinds of resource investment and more growth through the circular flow of economy. Asian countries can also take the advantage of this sector and achieve the target of economic growth & effective utilization of available resources with the help of value added service and promotional policy. Asian region has its maximum potentiality for tourism growth as it is full with number of heritages, sites, geography. Development of this service sector will engross the GDP (Gross domestic Product) of a country as this industry is elasticity towards multi-sector industries like travel, hospitality, hotel, ticketing, attractive sites, transport, healthcare, arts and crafts, culture etc. One unit growth of tourism sector leads to the growth of number of growth of other sectors services and goods of production with employment generation, technological development & skill development of the people continuously which is otherwise called as Human Resource Development.

The importance of tourism industry compels many countries to promote their tourism industries where as some potential tourism is not now in the lime light which needs to be promoted more. Some organizations like south Asia association for regional cooperation (SAARC) are working in this sector for the promotional and value added activities. The number of scholars had done their research to find out the impact of tourism on the growth GDP & HRD. The various reviews are here as follows.

Literature review

Murphy," Effective tourism planning helps for proper forecasting and regulating the changing system to promote the orderly development with economic & environmental benefits.

Lew (2011) ^[2] had done the research on tourism and its impact on the economy and have the findings that international tourism contributes a lot towards the major part of the global economy.

Abiven (2012) ^[3] had done the research on the tourism and its impact on the global economy and told that Tourism as a largest service sector is with its healthy growth in international arrivals.

Nowak (2007) ^[4] with his research report shows tourism as a secure source to meet the long term economic objective and livelihood.

According to World travel and tourism council (2014) report tourism as a sector of service has its capacity and potentiality for the creation of high level of employment opportunities.

Objectives

- To find out the role of Tourism for the growth of Gross domestic product.
- To find out the role of tourism for the HRD.

Methodology of the study

It is an explorative study with the analysis and interpretation

of the available secondary data. All the numerical data are collected from the World bank Indicator which is statistically analysed and interpreted further to know the relation between tourism and its impact on gross domestic product economic growth and the human resource development simultaneously. World Bank indicator report is analysed and interpreted with the help of SPSS.

Discussion & Interpretation

Collected numerical data are discussed, analysed and graphically presented here to test the objectives with the findings and result.

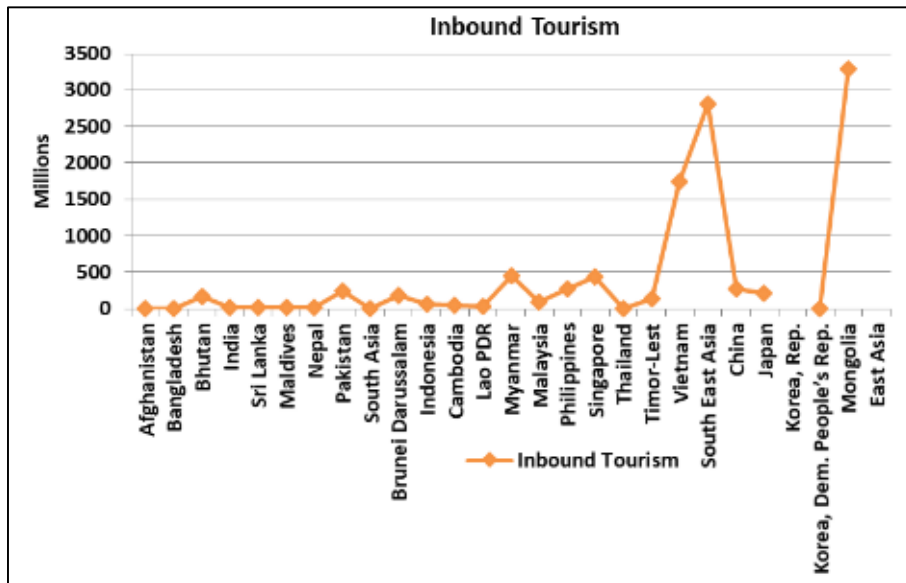
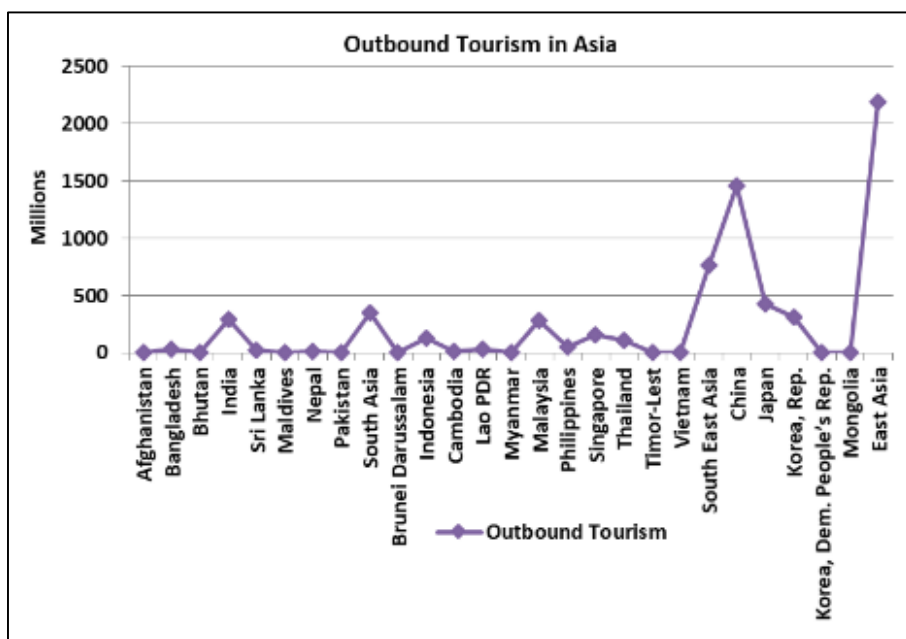


Fig 1: Graph of Inbound Tourism

Fig 1 is a graphical representation for inbound tourism, shows the total inbound tourism in different regions of Asia from the year 2005 to 2019 and is collected from the World Bank report. According to this report maximum inbound tourism is

there in South East Asia and East Asia region means these places have their more demand for tourism and with its potentiality to be developed and promoted.

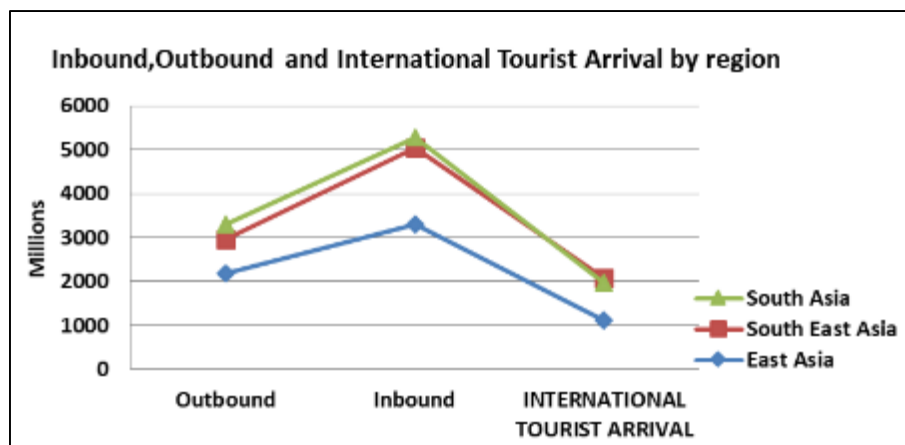


Source: World Bank Indicator, Author's representation

Fig 2

The above graphical representation shows the out bound tourism in the Asian regions from the year 1995 to 2019 which clearly shows the development international tourism. The record shows that about to 1.5 billion of out bound tourists were in the year 2019 in South east Asia region and 2.2 billion of tourism in East Asia region. Tourism as a vital sector of service industry is contributing a lot for the economic and social growth with the growth of the human beings. According to the UN report, travel and tourism sector alone can contribute to all 17 Sustainable Development Goals(SDGs) and the first two Goals was “Zero poverty “and “Zero hunger” which can be overcome by tourism with its contribution to employments and job opportunities. It has been estimated in 2018 that the tourism sector has created 318 million job opportunities in that year. The second goal is “Good Health and well beings” and Medical tourism also

known as health and wellness tourism is also a great source. Medical tourism is better defined as the migration or travel of people to countries outside their own country for seeking treatment. This also contributes a major portion to the healthcare system and revenue. These contributions have also enabled tourism gaining a special position in SDG 2030 agenda. The industry not just generates revenues but also responsible for the growth and development of the country’s economy. The international tourism arrival not only speeds up the rate of economic growth but also speeds up cultural and overall human development. The tourism industry has been always considered as one of the consistent areas for sustainable development for mankind and society. The entire Human development is affected positively due to international tourism.



Source: World Bank Indicator, Author’s representation

Fig 3: Inbound, outbound and international tourist arrival graphical representation

Fig -3 shows the inbound, outbound and international tourists of south East Asia ‘and south Asia which shows the growth of the tourism in the Asian region. Tourism growth is always inevitable by various countries as it develops the human capital and economic sector.

A country’s tourist’s arrival depends upon the developed status quo of the country and the country’s development depends upon various factors and tourism arrival is one of those, as tourism plays a major part in Human Development. Human development means the overall development of Human being by widening choices in a way which would pave way for better health, better life years and a better lifestyle. Human Development opens opportunities and enables people to make choices for their existence. There have been numerous research conducted in past which considers international tourists arrival as an important factor for Human development. It has also been proved by special studies that improvement in Human development attracts more international tourist ^[6].

The United Nations Development Programme (UNDP) has been using an indicator since 2018 for measuring Human development and achievements, which is known as Human Development Index (HDI). HDI is also one of the important indices of measure and it also categorises and ranks countries based upon their development status. There are three dimensions and four indicators of Human Development Index based on which the entire development is evaluated. United Nations Human Development Reports which includes various determinants of HDI. There is three-dimension which

include Health, Education and standard of living, and there are four indicators for measuring those mentioned dimensions which include life expectancy at birth as an indicator for health, years of schooling and expected years in school as an indicator for Education, Gross income per as an indicator for Standard of living.

Human development will bring about a positive effect on overcoming poverty and not only this human development will promote child education, thereby increasing chances of employment and increase in economic growth. Thus Human Development is one of the most important parts of the population and the tourism industry owns the credit for making it faster and efficient. It can also be the other way round Human development can bring about more International Tourist thereby improving the quality of life of people and better standards; this would affect the economic growth. Some studies show the HDI has a positive relationship with economic growth and increases tourists arrival ^[7].

Tourism not only contributed a lot for the human resource development but also for the economic growth. There have been various studies conducted which states that the increase in global GDP in the last consecutive years is due to an increase in international tourism. It was estimated in 2018 that travel and tourism contribute about 10.4% to global GDP along with creating 312 job openings in the sector of tourism ^[8]. A study conducted by World Tourism Organization indicates Worldwide travellers have generated about \$626 billion (excluding travel & transport) in the year

2005. Economic growth is due to the generation of revenue collected on the arrival of tourists. Thus Tourism industry has also been considered as the major source of economic growth for various nations. The arrival of international tourist brings

about a great source of revenue to the nations through foreign currency exchange rates, taxes collected over a percentage of imports and exports, and also gears up the economic growth [9].

Table 1: The expenditure Share in % through Receipts & Exports (1995-2019). Source: World Bank indicator, Author's representation

Receipts & Exports (1995-2019)		Share in %
East Asia		105.9238509
The average total of tourism receipt of imports in %		
East Asia average total of tourism expenditure on exports in %		137.274747
South-East Asia		247.3597
South-East Asia average total of tourism receipt % imports		
South-East Asia average total of tourism expenditure exports%		463.6854
South Asia		256.21839
South Asia average total of tourism receipt % imports		
South Asia average total of tourism expenditure exports %		2027.06

Table-1 shows the receipts of imports percentage and expenditure export percentage for the Asian countries. Above table depicts the surplus earning of the countries as the expenditure on exports are more than receipts of imports in percentage with economic growth. The tourism industry has a positive impact on the economy as it brings about various kinds of employment, and collects revenue. Many studies conducted which share its view about the contribution of Tourism to GDP. The percentage of share to GDP by international tourist arrival can be estimated based on expenditure made by the tourists especially through various receipts of imports and exports.

Thus tourism increases economic growth and increased economy of a country improves education, healthcare system infrastructure, job opportunities, social and overall Human development. It has been always identified that various scholars raise the concern that tourism is one of that industry which can bring about overall Human Development in different dimension which is responsible for generating income and give rise to the country's economy. Both outbound and inbound tourism contribute to generating revenues for the countries through foreign currency exchange, exports and imports. The industry of tourism has been efficient enough to work on different dimensions of the Human Development Index. Not only this the Tourism industry has the potential of multiplying its benefits as it utilizes and increases demands for local services and goods which benefits the entire supply chain, similarly, but each job created can also increase the demand for more related job opportunities in the same or different sector, thus stimulating economic growth.

Discussion & Conclusion

Tourism is a great tool that brings about economic change and besides this; it also enables social and societal change and brings about overall Human Development. Major increment in economy and development has been made through the tourism industry. The smooth functioning of Tourism demands the co-operation of neighbouring countries, through sharing resources and enabling cross-border logistics. It has also been noted that ASEAN countries are following this trend of cooperation rather than taking advantage. It can also be notified by the fact that an ASEAN National tourism organization has been established to decide over cross-country initiatives and promote tourism, especially intra-ASEAN tourism. Generally contribution of tourism to the economy in general and, in particular, to the local economies,

seems to be already unquestionable. This evidence is presented in several studies in the literature and reinforced by statistics. However, given both the increasing competitiveness and competition between destinations and the increasing complexity of the management of tourism destinations, the formation and development of cooperative relations between stakeholders has been pointed out as a requirement for its success and sustainability and contribution of HDI. This study aims to understand business cooperation from the perspective of the complementarity of different territorial singularities, aimed at the tourist development of the ASIAN regions. The results of the study indicate that stakeholders understand the importance of cooperation to obtain synergies that ensure the development of tourism and territory; they recognize and identify a set of benefits associated with cooperation and have a collective awareness of some of the difficulties associated with it, but which do not necessarily prevent their willingness to cooperate. There is a need to cater for the need of overall Human Development, which can be overcome by International Tourism arrival, economic growth and the right allocation of resources. Each sector should be prioritised and expenditure should be made wisely based upon its contribution to the country's economy and development. The expenditure in the tourism sector is playing an essential role which also turns our head towards the government policies. The private sectors should also be encouraged to make investments in the tourism industry like Healthcare infrastructure, Hospitality sector, Goods and finished products, etc. Internal economic growth can occur in the tourism industry if the raw materials required for the finished products are taken from local firms and small scale industry with the nation. The regional policymakers need to identify the importance of this sector and come up with ideas for the development of the Tourism Sector in the Asian region [10].

The study concluded that tourism and economic growth has a close relationship but there are so many factors which affect the process of tourism positively and negatively. Few number namely Transportation, Health and Wellness, Law and Order, Visitor Numbers, Price of different commodities and Cost of accommodations, Attitude of the population, Natural attraction, Infrastructural development, education, population trend, Hills and Greenfield, Hospitals facilities, Cottage industries, different languages are the factors which affect the tourism industry positively. The mentioned items show that tourism industry has link with every sectors of the economy. Any one anomaly create problems in the tourism industry while

tourism industry failure also affect the global economy in the world. The present Corona virus has damaged the tourism industry beyond imaginations. Now all sectors are closed and all business activities there are halted by government due to Corona virus pandemic. Every country is trying hard to resolve the issues, so the discussion indicates that tourism play great role for development of a country and especially in ASIAN regions. It homogenized the culture of the world and improves socioeconomic condition of the people and brings prosperity in the world while sometime transfer different attitude from one country to other country in the world and diffused one technology into other, so sometime instead of benefits give loss to the community. Tourism also play great role in poverty alleviation in the world. It generated the employment and increase the income level of the people and increase their expenditure and saving in the world which further increase the investment in the world which play great role in employment generation while there are so many factors which create hurdles to tourism industry. The study identifies the tourism industry as a diverse field that has always played a role of great contributor towards the economic sector and has brought about massive human development. This paper highlights the HDI dimensions and states the role of tourism in promoting each with the suggestion of current scenario in Tourism both inbound and outbound tourism in the Asian region, it also talks about the contribution of tourism in different forms through import and export logistics. This research will enable important decision makings, planning and implementation of decisions. This paper will also help policymakers in the right allocation of scars resources. There is a need for more critical analysis and research to cooperate in decision making at grassroots levels.

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