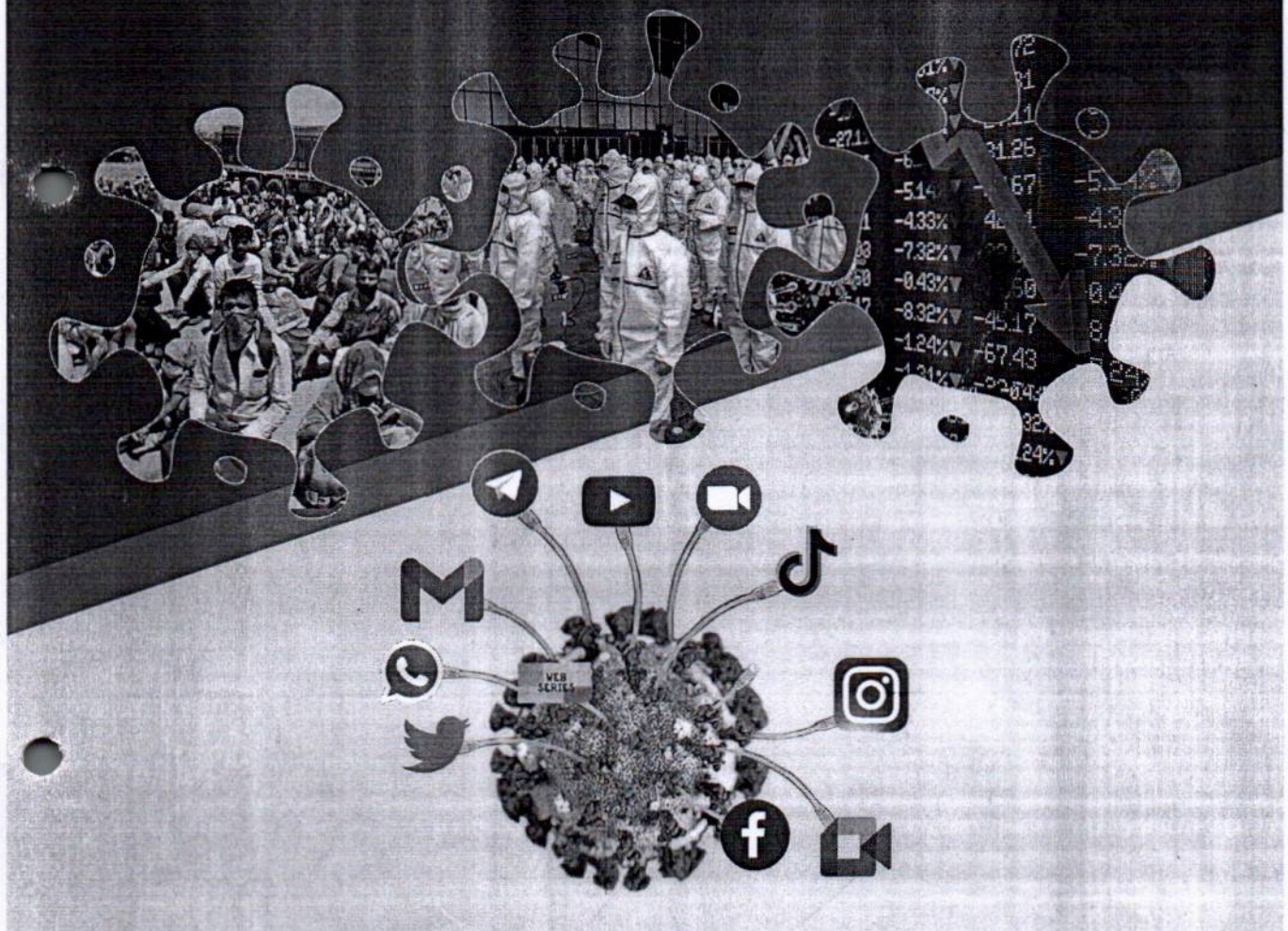


# Indian Economy : Impact of Coronavirus and The Road Ahead



**EDITOR**  
**DR. EKNATH MUNDHE**



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## CHAPTER-11

### IMPACT OF COVID-19 ON SERVICE SECTOR WITH REFERENCE TO TOURISM SECTOR OF KONKAN REGION

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#### **Abstract**

*The tourism sector is one of the important sectors of the country as far as socio-economic factors are concerned. The aim of this study is to examine the impact of COVID-19 on the tourism sector in India in general and Konkan region in particular. From secondary literature, it is found that the Indian Tourism Industry accounted for 9.2% of India's GDP in 2018 and provided 42.673 million jobs. Thus, it forms 8.1% of its total employment. The present study attempts to find out exact impact on tourists, tourism places/villages, tourists transporters, etc. This paper focuses on the potential economic effects due to standstill of tourism. The effect will carry over for short, medium and even for long term especially in the Konkan region. As these Konkan villages near sea shore are highly dependent on tourism. COVID-19 pandemic has curtailed the prosperity of these villages as tourism entrepreneurs seriously compromised by the fall of tourism revenues. Researcher strongly feels that this sector is highly affected and has caused great losses due to COVID-19. Thus, this study provides an in-depth perception of the main issues about how this pandemic affects the Konkan tourism villages/places, residents of these villages, local labourers especially women population, tourists' transporters etc.*

**Keywords:** *Tourists, Tourism, COVID-19, Tourism Sector, Women Entrepreneurs, Household Entrepreneurs.*

#### **Introduction**

India is having popular destinations for domestic and international travelers to visit. Before the pandemic in India, the travel and tourism industry was growing rapidly. The Indian tourism industry accounted for 16.91 lakh crore that is 9.2% of India's GDP in 2018 and was providing 42.673 million

jobs, which is 8.1% of its total employment. Thus, the tourism is considered to be one of the biggest and rapidly growing industries.

Due to spread of infectious disease of COVID-19, the tourism industry has become very unstable. Even travel across the states and inter-district was prohibited. There was a curfew due to which movements were restricted. As a result, the tourism activities came to a standstill. It is also observed that other essential industries of the countries were unlocked, but restrictions on tours and travel were still into existence.

### **Rational of the Topic**

In the current situation where Covid-19 was announced as a pandemic by the World Health Organization, the Government of India announced a complete lockdown of the nation that had a strong impact on the economy, mainly the tourism and hospitality industry, which is struggling to open even after the lockdown. The rapid spread of the Coronavirus pandemic stopped domestic as well as international activities of tourism. Countries around the world continued to impose restrictions on travel as apart to hold the spread of the virus. It is not just konkan region that has witnessed such a drastic downfall in tourist arrivals. Every major tourist place across the country is facing the same revenue crunch. In fact, tourism is a major source of revenue and employment of villages near sea shore of konkan region.

The study focused on understanding the pandemic situation, and how it affects the konkan tourism and hospitality industry in general and small and medium household tourism entrepreneurs. Researcher found that these small and medium entrepreneurs had started their tourism hospitality business because they are residing near sea shore, they don't have any other source of income in these villages and since many years they are surviving to a major extent due on tourist hospitality. Now, these entrepreneurs have constructed huts and small buildings and providing lodging and boarding hospitality to tourists. In addition, they are also providing transport facility to their tourists as per their demand, guiding tourist about sea shore, guarding tourist from sea water, providing dining facility, etc.

Considering this fact into account, this research was undertaken to examine the impact of this pandemic situation on tourism sector in general and konkan region in particular which include small and medium size tourist villages near sea shore of konkan region. Researcher has visited and studied the impact on various aspects such as hospitality, food services, transport, mathematics of economics, employment issue etc. of these small tourism entrepreneurs.

### **Objective of the Study**

The objective of this research paper is to measure the impact of the occurrence of Corona virus on the tourism industry in India in general and Konkan region in particular. Therefore, the objective of the study is to investigate the effect of efficiency and effectiveness of COVID-19 on local small tourism entrepreneurs which includes tourist transporters, small household tourism entrepreneurs and tourists.

### **Research Methodology**

Researcher used both methods of data collection. Secondary data is collected with the help of articles in the newspaper and online journals. Whereas primary data is collected by using interview method with all the above sample respondents. In addition, researcher also used personal observation method while shaping findings.

To understand the views about impact of COVID-19 on their small business, researcher has selected 50 small and medium household tourist entrepreneurs who are providing various traditional hospitality to tourist in their house. 50 women belong to self-help group who are producing local products from mango, maize and other household consumables. 20 people who are doing the business of travelling with their own small car or traveller bus. 25 women employees who are working under these small household tourist entrepreneurs. All the above sample is selected on the basis of simple random sample method. Researcher has selected Anjarle, Velneshwar, Harne, Alibagh villages for the study.

### **Important Findings and Discussion (Analysis and Interpretation of the data)**

1. It is found that number of tourists has been reduced drastically during the pandemic. According to them, more than 95% tourists could not turn or visit sea shore during this period of pandemic. It indicates that there is a huge economic loss to these small tourist entrepreneurs.
2. From the total sample respondents, it is found that majority i.e. 47 (94%) are women small and medium tourists entrepreneurs, 50 (100%) are women belong to self-help group, 20 (100%) are male travelers and all the 25 employees working under these small and medium entrepreneurs. It indicates that tourist sector besides sea shore region is run majority by women entrepreneurs. This helps their family for economic support.
3. It is found that many of the regular tourists were ready to visit sea shore, but due to strict lock-down and rules and regulations, tourists did not visit their places.

4. The marketing activity of Self-help group was completely stopped due to no sale of their manufactured products. This resulted into a huge economic loss to these members of Self-help group which in turn affected loss of work/employment to member house wives of this Self-help group. It is also found that most of the self-help groups have not repaid their loan installment taken from cooperative banks.
5. It is also found that the wages or profit share received from this self-help group contributes towards the family consumption and other miscellaneous expenditure. However due to curtailment of self-help activities, the burden of such income went to the male member of the family.
6. There are no special marketing activities of these small tourist entrepreneurs. They were not contacting to tourists from cities like Pune or Mumbai to visit. They are running their lodging and boarding business traditionally on the basis of "Athithi Deo Bhav". Thus, the occupancy of their small huts or houses and food consumption impacted a lot and came to a standstill.
7. The unemployment rate has also increased during the pandemic period.
8. Travelling is one of the important factors of tourism industry. Considering the opportunity, few family members have purchased small cars and traveler buses for the income point of view on vehicle loan basis. However, due to complete lock-down, most of the travelers could not even pay their loan EMI's since last many months. Researcher found that their vehicles are stagnant at one place as there is no demand or call from tourists at all. They are also unable to pay their vehicle insurance and regular maintenance of their vehicle.
9. It is found a high proportion of the jobs are undertaken by women in the study area as far as food cooking, lodging and boarding activities. However, most women hold low skilled jobs in the tourism sector.
10. Researcher found that villages near sea shore are at remote places where ordinary women cannot go to urban area for the job or any other type of work. Therefore, tourist business is most beneficial to these women to earn for their family and support livelihood.
11. Sample tourists' respondents opined that they have decided to not to go for travel for minimum two to three years due to the fear of CORONA virus. They said that there may be chances of CORONA as there is no

perfect remedy available on this disease. Thus, it indicates that the pandemic will affect this sector even in coming two to three years.

12. It is found that due to non-availability of tourist in this sector, many of the workers and small tourist entrepreneurs moved to other sectors to earn livelihood. Most of them are selling vegetables in the urban areas. This shows unemployment as well as displacement.
13. It is also found that being low-skilled, casual and temporary workers, majority of them find difficult in seeking employment in other sectors of the economy.
14. Sample tourist entrepreneurs have demanded for loan waiver from the government as there is complete lock down in the tourist sector. However, it is found that most of the entrepreneurs have taken loan from private sources such credit cooperative societies, relatives, moneylenders etc. as the nationalized banks are not offering loans to this sector small entrepreneurs because of not having repayment assurance from these people.
15. It is found that more than 87 per cent of the sample tourists' entrepreneurs that they have stopped to repay their loan installments due to non-availability of sources of revenue.

#### **Recommendations**

Researcher strongly felt that there is a need to promote tourism sector as the sector is in very pathetic and critical situation. Everything is stopped and come to a standstill. On the other side there are no alternative sources of business/services available at these regions to earn something equal to their normal revenue.

Therefore; to overcome the situation tourist entrepreneur who will follow all the precautionary measures should be allowed to run their business and tourists who will follow all the precautionary measure should also be allowed to visit these places without any restrictions.

Researcher is of the opinion that there is a need that the government and other stakeholders should offer financial aid to tourism sector. Government should provide certain soft loans with minimum interest rates and must issue additional funds for the betterment of tourism sector in the near future.

These entrepreneurs will have to recuperate the trust and confidence of people in the recovery period to travel again after the pandemic. Unlike the other sectors, the tourism sector relies heavily on trust and thus will take a longer time to return to routine in the recovery period because tourists need to

ensure that the situation is safe and secure before they step out to travel again. Researcher strongly felt that it is the need of the hour that government should take early steps to overcome the present slowdown in tourism industry by analyzing its long-term impacts at the earliest.

### **Conclusion**

Tourism sector is worse affected because it is driven by the psychology of tourists who are very sensitive to safety and security aspects. It will be difficult for the travel and small and medium tourism entrepreneurs to attract tourists during the pandemic as their safety is of paramount importance. These entrepreneurs will have to recuperate the trust and confidence of people in the recovery period to travel again after the pandemic. Unlike the other sectors, the tourism sector relies heavily on trust and thus will take a longer time to return to routine in the recovery period because tourists need to ensure that the situation is safe and secure before they step out to travel again. Researcher strongly felt that there is the need of the hour that government should take early steps to overcome the present slowdown in tourism industry by analysing its long-term impacts at the earliest otherwise this sector will remain affected by the widespread of COVID-19 and may remain for a long duration.

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