

## **Impact Of Covid 19 On Tourism And Hospitality Industry: An Analysis From North East India Perspective.**

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### **Abstract**

The popular belief on tourism and hospitality sector being a peripheral sector has been transformed and now it is recognized as one of the crucial sector for the growth of the economy. The tourism and hospitality sector accounts for around 10% of the global GDP. The sector has a tremendous potential to create employment opportunities in large numbers, given the higher forward and backward linkages of the sector. The sector acts as a multiplier of jobs, as it is able to create the direct and indirect jobs. The indirect jobs that is related to the sector has considerable amount of the contributions to the economic sector of the world in general and the region in particular. Apart from the obvious economic significance of the sector, it also has significant social impact given its potential for a distributed model of growth and employment opportunities for a wide variety of people including the unskilled and semiskilled labourers. The tourism sector is also crucial in helping build awareness, character, knowledge and tolerance.

### **INTRODUCTION**

The popular belief on tourism and hospitality sector being a peripheral sector has been transformed and now it is recognized as one of the crucial sector for the growth of the economy. The tourism and hospitality sector accounts for around 10% of the global GDP. The sector has a tremendous potential to create employment opportunities in large numbers, given the higher forward and backward linkages of the sector. The sector acts as a multiplier of jobs, as it is able to create the direct and indirect jobs. The indirect jobs that is related to the sector has considerable amount of the contributions to the economic sector of the world in general and the region in particular. Apart from the obvious economic significance of the sector, it also has significant social impact given its potential for a distributed model of growth and employment

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opportunities for a wide variety of people including the unskilled and semiskilled labourers. The tourism sector is also crucial in helping build awareness, character, knowledge and tolerance.

The travel and tourism sector accounted for 6.8 per cent of India's GDP in 2019, and generated around 4.2 crore jobs in 2019. The sector accounts for nearly 8.1 percent of the employment in India. Also considering the indirect jobs it creates, the number would be even higher. In regard to the present scenario of unemployment in India, it is an important employment generating sector in the country. Notably it provides employment opportunities for a wide array of professionals ranging from skilled to unskilled people. The travel and tourism sector is also an important source of foreign exchange for India. With the outbreak of COVID 19, the industry has faced a huge loss. The preventive measures of the outbreak of the virus such as restriction of travel and movements, both at the global level and within the country has severely affected to the industry as well as pose the threat to the livelihood of the people, associated with the industry. The cascading effect of the global Coronavirus pandemic is crippling the tourism and hospitality industry. Media reports suggest Foreign Tourist Arrivals (FTA) in India have come down by about 67 per cent in the January-March quarter, while for domestic tourists the figure is lower by nearly 40 per cent. The total lockdown measure by the government of India put the last nail in the coffin to the industry. The concern has been made in regard to the sector in the light of new challenges are-

It is a great concern in regard to the sector that it can collapse, as the sector has been the most affected sector due to the lockdown. The sector has almost zero new revenue, which impact the sector at macro as well as micro level. The survival of the sector is in question and the livelihood of the people, associated with it also faces a huge uncertainty.

Another major concern has been raised on the part of investment. Due to the nature of the virus and its unpredictability, the sector also faces the uncertainty in its future path. People are not interested to invest their hard earned money in such sector, which is unable to provide any certain report for its future programme. Given its substantial share in India's GDP, slump in the sector will have a considerable macro economic impact in the form of reduced growth.

The biggest impact would however be on the employment scenario. The sector could witness salary cuts and also job losses.

### **TOURISM IN NORTH EAST INDIA**

The North Eastern region of India is constituted of the eight prosperous states of the nation having their unique identities which are Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. Diversity has its unique way of beauty. This perfectly suits the scenario of the north eastern region of India which is blessed with diverse natural as well as cultural beauties. The scenic beauty, distinct historical culture, favourable weather, rich biodiversity, rare wild life along with the ethnic heritage of the land of eight states attracts a huge number of tourists every year into the north-eastern region of the Indian nation. For being the hotspot of tourist attraction, the tourism industry of this region is prosperously developing. Orderly visit of tourist to places like Kaziranga National Park, Kamakhya temple, Cherrapunji, Dawki, Mawlynnong, Loktak Lake, Dibru Saikhowa National Park, Nameri National Park and Forest Reserve, Dihing Patkai Wildlife Sanctuary, Bhalukpong, Gangtok, Lachung, Manas National Park, Singalila National Park, Majuli, Ziro, Dzukou Valley and so on gives a constructive boost for more growth

of the tourism sector in this region as well as provides further enclosure for hospitality sector. It has also increased the scope of employment opportunity in the region. The adventure of mountaineering and trekking in the region has opened up paths of employment generation for the locals. Revolving around this tourism industry small scale business establishments like hotels, restaurants, guest houses and others have been growing in the nearby areas of the tourist spots which involves a large amount of people's engagement for financial purposes. As per the data of Statistical reports a gradual increase in the numbers of tourist in the region has been observed. The government of the Indian nation has also adopted measures for the advancement of tourism sector in its north eastern region. The plan of developing rural tourism sites has included the states of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland and Tripura. In the year 2015, the Modi government has introduced Swadesh Darshan Scheme under which the ministry has split the region of north east into theme-based circuits so that it would boost tourism in the zone.

Such a scenario of positive growth of tourism in the region takes an undesirable turn due to the sudden and unexpected occurrence of Citizenship Amendment Act (CAA) movement in the later part of the year 2019. Protest movements were being conducted in some parts of the region but in a rigorous way which ultimately resulted into several undesirable consequences. It was the first hitch which strikes hard the growing industry of tourism in north east by not permitting the situation to welcome the tourist into their desired destinations of the land. Another substantial retard came in the form of Covid19 pandemic which has shaken the entire world order. It gives a setback to the ever growing chances of prosperity in the region of north east in regard to tourism industry. The step of locking down the entire country since the month of March by the legal authority of the nation has additionally worsened the situation. This was usually the preferential period for the tourist to visit the places of north east. Pre-booking of hotels and others were being cancelled by the visitors and in some cases owners need to initiate the refund policy to their customers by bearing a heavy financial loss. All types of inter-state as well as inter-district transportation services were being stopped for a longer period of time to break the chain of transmission of the virus. This has hampered both public and private transport systems. Such a heavy strike on the tourism industry equally smashed the parallel employment industry. In other words, people are starting to lose their relatable jobs of tourism industry. As mentioned earlier, this industry has provided the scope of engagement into the various employment opportunities to a large number of people especially the locals of the region. Therefore, the sudden temporary pause of the tourism industry has caused a massive unemployment problem for these people who were the part and parcel of the sector. Moreover, for the purpose of flourishing of any sector it is essential to have sufficient investment ventures. This region lacked investment agents especially for the prevailing furious state of terrorism. It was expected that with the changing course of time, the investment venture would slowly start to get new impetus in the region. But this pandemic situation has further created hurdles in the path of new investments as a result of which it would become quite difficult to work constructively upon building the road of development for tourism sector in the region.

### **GOVERNMENT MEASURES TO REVIVE THE SECTOR**

The key to revive the tourism and hospitality sector of India depends on the effort of Union and State government to inject confidence back in the entire ecosystem involving the people (consumers), entrepreneurs and others associated with the sector. In the short term, there is a need for state support in the form of moratorium on loans, extending statutory deadlines, providing low interest loans, tax cuts, etc., which could help to ensure sufficient liquidity in the sector and ensure the sector sustains till the pandemic over. The government can consider providing subsidy to hotels based on the criteria of their employment

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maintenance. This move could deter the owners from resorting to job cuts and thus help avoid its ripple effects in the economy. Appropriate measures have to be provided on the security of jobs for those who are associated with the sector.

In the long term, the government should take creative solutions to induce business for this sector through appropriate policy measures. Efforts should be made to involve Indian corporates and private industries to bring back the industry on track in post corona period. Providing incentives and tax deduction in this sector can be provided the ground for investment by the big private companies in this field. The government policies should also incentivize domestic travel, given the fact that the contribution from international tourism would require a longer time to recover. Those projects that have linkage with the sector should be given emphasis for the revival of the sector. Moreover India is the fastest growing medical tourism destination in Asia. So this opportunity should also use for promotion of the sector with appropriate measures in future. Importantly one more issue has been observed during the lockdown is that several hotels have been hosting medical personnel and providing them food. There have also been reports of several hotels providing food packets to migrants. Such humanitarian approach by the sector can also be proved as confidence booster in the society in context to the tourism and hospitality sector of India.

Given the drastic changes in people's social behaviour that could be expected in a post pandemic scenario, the hospitality and tourism sector should consider revaluating and re-engineering their business models for viability in a changed scenario.

The governments of the north eastern region have been adopting several measures for tackling the widespread of the pandemic in their respective states. They are providing the much needed focus on the health sector along with issuing Standard Operating Protocols (SOPs) as well as new guidelines from time to time in order to deal the disorders generated by the pandemic situation. They have also issued quarantine guidelines for the people coming from other parts of the country or World. In the light of such circumstances, it can be said that for the revival purpose of the tourism industry in the region several measures need to be adopted and most importantly it requires a careful handling of the matters. As pointed out by a prominent scholar the government needs to take confidence building measures to regain the assurance of the people so that it could attract them even in such a phase of uncertainty.

In addition to the context of North eastern region, Union and concerned state government can take appropriate measures to promote rural tourism, eco tourism and agri tourism in the region to attract the tourist and to revive the sector.

The National Tourism Policy of India defines Rural Tourism as 'any form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals for a more enriching tourism experience'. To promote rural tourism in North east India there should be provision for faster and cheaper modes of travelling with all accessible and preferable condition for tourist. Moreover the consciousness among the tourist and host and their awareness is also one of the major pillar for the successful achievement of the objective of rural tourism. Rural tourism is also preferable in the context of the region as the region itself is rural in nature so it will benefit the local community in providing opportunities for alternate and novel employment opportunities within the village, particularly for the women. For instance, Hospitality sector, handicrafts etc. The rural tourism will also able to weak the rural-urban divide. It will also enhance the revival of local crafts and arts.

Eco Tourism has also been proved as one of the important measures to promote the sector in North East India. Eco tourism is defined as “a responsible travel to undisturbed natural areas that conserve the natural environment and enhance the wellbeing of the local people”. It gives special attention to the conservation and preservation of natural resources, which is one of the common values among the communities of the region.

One more approach should be given emphasis in order to promote the sector in the region is agri tourism. As the economy of the region itself is agricultural in nature, so the approach will be fruitful for the sector as well for the local farmers. Agri tourism is based on agriculture based operations that brings visitors to the farms. It is a very recent concept which helps the urban visitors understand and appreciate the work done by the farmer. It will cripple down its positive impact in providing additional revenue for local businesses and services, upgraded and revitalized community facilities, preservation of local tradition and women empowerment of the region.

## **CONCLUSION**

We need to be calm, consistent and collective in our approach while dealing with the challenge of the worldwide coronavirus pandemic. Tourism could serve to help people and communities recover from this setback. The tourism sector that is much dependent on interaction amongst people, unlike the other economy generating sectors along with a considerable social impact. The World Tourism Organization (UNWTO) calls for shared responsibility among travelers and the tourism sector around the world to deal with the COVID-19 pandemic. The number of obstacles in the way of tourism in the north-eastern region, namely, lack of skilled manpower, an inadequate marketing strategy, infrastructure, and above all a lack of common master plan for tourism sector are to be handled effectively and efficiently. The master plan drew attention to different factors related to tourism including better connectivity between air and rail routes for tourists. The promotion of cultural tourism by the utilization of intangible resources by local art and craft can be used to draw the attention of the tourists. For enhancement and enrichment of specific destinations of tourism potential like lakes, wildlife reserves, bird sanctuaries , biodiversity hotspots, mountains, hills etc. in the eight north- eastern states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura is the need of the hour. In the recent developmental moves, the government has assured for making the Northeast as a tourism and industry hub and an IT and organic farming hub to increase the Northeast participation in the country GDP by 2024 and make it an important part of the Government of India’s ‘Act East policy’. ‘Destination North East’ is a calendar event of the Ministry of Development of North Eastern Region conceptualized with the objective of taking the North East Region to other parts of the country. However, the most important catalyst is the promotion of ‘Peace’ in the North Eastern region of India that will solely and essentially head towards economic development and ,thereby, would promote the tourism sector and boost employment prospects in the region. Government has decided to spend 21 percent of the budget of the North-East Council on the backward districts, villages and deprived communities, that would certainly serve to be a great potential for the entire region to promote the twin goal of development and prosperity, despite of the deadly consequences of the covid19 pandemic on humanity in general and tourism sector in particular.

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