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RESEARCH ARTICLE

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IMPACT OF TOURISM ON THE STATE'S ECONOMY OF ARUNACHAL PRADESH: A SYSTEMATIC REVIEW OF LITERATURE

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ABSTRACT

Context: Tourism is considered a vital source of economic development, particularly in culturally rich regions. Arunachal Pradesh, which is endowed with rich biodiversity and scenic landscapes, possesses a great potential for tourism-led growth. This paper examines the economic aspect of tourism in Arunachal Pradesh by analysing its contribution to regional development. Using secondary data from government reports, tourism statistics, and existing literature, the study evaluates the growth trends, economic impacts, and various constraints affecting the tourism sector in the state. The findings indicate that while tourism has generated livelihood opportunities for local communities and supported allied local sectors, such as handicrafts, transport, and hospitality, these opportunities remain limited due to inadequate infrastructure and poor connectivity. **Objectives:** The major concern of this paper is to highlight the importance of tourism to create an opportunity for the local community with a better environment by analysing the contribution, constraints and challenges of tourism in Arunachal Pradesh. **Methods:** This paper is based on a narrative review of existing literature related to the economic impact of tourism development in Arunachal Pradesh. Secondary data were collected from peer-reviewed journals, books and government reports. **Results and conclusions:** The paper suggests that poor connectivity and infrastructure become a major concern in the field of tourism. The study emphasises the importance of adopting a sustainable and community-based tourism approach to strike a balance between economic development, environmental conservation, and cultural preservation. The paper aims to highlight the importance of government policy and concludes with policy recommendations aimed at strengthening tourism infrastructure, increasing local participation, and enhancing the role of tourism as a catalyst for economic development in Arunachal Pradesh.

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INTRODUCTION

Tourism has emerged as one of the most significant drivers of economic growth and regional development across the region, particularly in areas endowed with rich natural and scenic beauty. In the development context, tourism plays a significant role in generating and promoting infrastructure development. It also enhances inclusive growth in remote areas. Among the north-eastern states of India, Arunachal Pradesh holds immense potential for tourism-based economic development due to its unique geographical location, rich and diverse indigenous culture. Arunachal Pradesh, also known as the "Land of DawnlitMountains," is characterised by rich natural resources, scenic beauty and a diverse culture of indigenous tribal communities. These features make the state an attractive destination for eco-tourism, cultural tourism, and adventure tourism. Despite its vast availability of tourism resources, the contribution of tourism to the state's economy remains relatively low compared to its potential. Factors such as difficult terrain, limited connectivity, inadequate infrastructure and low levels of investment have constrained the growth of the tourism sector in the region. From an economic perspective, tourism in Arunachal Pradesh holds the capacity to stimulate local economies by creating employment

opportunities, which have the potential to promote traditional handicrafts and help to generate income for rural and tribal communities. Tourism-related activities can also contribute to balanced regional development. Moreover, sustainable tourism practices can help preserve the ecological and cultural heritage of the state while ensuring long-term economic benefits for further development. As tourism is another way to bring development into the region. In recent years, policy initiatives by both the central and state governments have emphasised tourism as a strategic sector for economic diversification and regional development in Arunachal Pradesh. However, there is an urgent need for a comprehensive economic analysis of tourism to understand its current status, contribution, challenges, and prospects. This paper, therefore, seeks to examine the role of tourism in Arunachal Pradesh, and also analyse its impacts and help to identify policy measures required to harness tourism as an effective tool for inclusive and sustainable growth for a fruitful future.

Objective of the Study

1. To review existing literature on tourism development.
2. To examine the contribution of tourism to the state's well-being.

3. To analyse the key themes in tourism economics research related to Arunachal Pradesh.
4. To identify major constraints and challenges affecting tourism-led economic development in the state.

Significance of the Study: Tourism acts as a pathway for numerous opportunities in the region, especially in backward regions which have cultural and scenic richness. Along with numerous opportunities, tourism also brings development, which can be beneficial for the region to move towards a better future. Tourism is not about the influx of people into the region; hence, it is about recognition and sharing of one's culture and knowledge, which also attracts other opportunities, such as employment and income benefits for the local communities and individuals.

LITERATURE REVIEW

Several scholars have examined tourism as a significant aspect of economic development, particularly in culturally rich regions. Early studies on tourism economics emphasise its role in infrastructure and regional development (Mathieson & Wall, 1982; Sharpley, 2002). In the Indian context, tourism has been recognised as a way for balanced regional development, especially in backward and border states (Bhatia, 2006). Researchers such as Datta (2010) and Bora (2014) note that, despite the region's rich natural and cultural resources, tourism growth has been slow due to poor connectivity, inadequate infrastructure, and policy constraints. Arunachal Pradesh, in particular, has been frequently cited as a state with high tourism potential but low tourist inflow. Several scholars have specifically analysed tourism development in Arunachal Pradesh. Singh (2013) noted that eco-tourism and cultural tourism are the most promising segments in the state due to its biodiversity and tribal heritage. Tsering (2016) emphasised the economic importance of tourism for tribal livelihoods, arguing that tourism-related activities such as homestays, handicrafts, and local transport can significantly enhance the income of the local rural people. However, the study also highlighted limited institutional support and a lack of skilled manpower as major constraints in development.

The literature also places strong emphasis on sustainable and community-based tourism. Some studies, such as Das and Bandyopadhyay (2015), argue that sustainable tourism is essential for ecologically sensitive regions like Arunachal Pradesh. Articles suggest that unplanned tourism development could threaten fragile ecosystems and indigenous cultures of the community. Therefore, community participation is considered crucial for ensuring economic benefits while preserving the environmental and cultural integrity of the region (Bhattacharya & Lama, 2018). Overall, literature reveals that while tourism in Arunachal Pradesh has been widely acknowledged as a potential sector for economic development, empirical and region-specific economic analyses remain limited. Most studies are descriptive in nature, with insufficient focus on quantitative economic assessment and long-term sustainability. This highlights a clear research gap and underscores the need for a comprehensive synthesis of existing studies to better understand the economic dimensions of tourism in Arunachal Pradesh.

Economic Impact of Tourism: The economic impact of tourism has been widely covered in tourism economics literature, emphasising its role in income generation, employment creation, and regional development. Mathieson and Wall (1982) conceptualised tourism as a composite economic activity with strong multiplier effects, influencing both direct and indirect sectors of the economy. Their work laid the foundation for understanding tourism as a development tool, particularly in peripheral and resource-rich regions. In the Indian context, Bhatia (2006) highlighted tourism as a labour-based sector that works as a labour-intensive industry capable of generating employment opportunities with relatively low capital investment. The study emphasised that tourism stimulates allied sectors such as transport, accommodation, handicrafts, agriculture, and local services, thereby contributing to overall economic growth. Studies by Doley

(2017) and Roy (2019) examined structural challenges affecting the economic benefits of tourism in Arunachal Pradesh. According to the study done by Gombu (2025), found that there is a positive and long-term relationship between tourism development and economic progress in the region. Furthermore, it suggests that tourism has significant potential to contribute to the economic development of Arunachal Pradesh through employment generation, income diversification, and regional development. However, existing studies indicate a gap between potential and actual economic outcomes. Most studies remain descriptive, with limited quantitative assessment of tourism's economic impact. This highlights the need for more systematic economic analyses and policy-oriented research.

Challenges and Constraints: Tourism development in Arunachal Pradesh consistently highlights several challenges that limit the economic potential of the sector. One of the most frequently cited constraints is poor physical connectivity. Studies by Datta (2010) and Doley (2017) emphasise that difficult terrain, inadequate road networks, limited air connectivity, and frequent disruptions due to landslides and weather conditions restrict tourist movement and increase travel costs. Environmental and sustainability concerns form another critical constraint. Scholars such as Das and Bandyopadhyay (2015) warn that unplanned tourism development in ecologically fragile areas of Arunachal Pradesh may lead to environmental degradation, loss of biodiversity, and cultural erosion. The literature stresses that the absence of effective planning and regulation can undermine the long-term sustainability of tourism and its economic benefits. Finally, the lack of reliable data and research has been identified as a significant limitation. Several studies note that inconsistent tourism statistics and the absence of comprehensive economic impact assessments hinder evidence-based policymaking (Roy, 2019). This gap in data limits the ability to measure tourism's true contribution to the state economy and to design effective development strategies. In summary, the reviewed literature reveals that while Arunachal Pradesh possesses significant tourism potential, multiple challenges related to infrastructure, policy, investment, human resources, environmental sustainability, and data availability continue to constrain its economic impact.

Research Gaps: A critical review of the existing literature on tourism economics in Arunachal Pradesh reveals several significant research gaps. Although numerous studies acknowledge the tourism potential of the state, systematic economic analysis remains limited. Most available studies are descriptive in nature and focus on tourism potential, cultural attractions, or policy overviews, with relatively few attempts to quantify tourism's contribution to income, employment, or Gross State Domestic Product (GDP). Another major gap lies in the lack of region-specific and micro-level studies. Existing research often treats Arunachal Pradesh as part of the broader Northeast India region, resulting in generalised conclusions that fail to capture district-level variations, local economic linkages, and community-specific impacts. There is limited literature examining how tourism affects different tribal communities and local economies within the state. The review also indicates an insufficient focus on multiplier effects and value-chain linkages. While tourism is frequently recognised as a catalyst for allied sectors such as handicrafts, agriculture, transport, and hospitality, very few studies analyse these linkages in a comprehensive economic framework. The indirect and induced effects of tourism on the local economy remain largely unexplored. Another important gap relates to sustainability and long-term economic outcomes. Although several studies emphasise eco-tourism and community-based tourism, empirical assessments of their economic viability and sustainability are scarce. There is limited research evaluating whether such models ensure equitable income distribution, environmental conservation, and cultural preservation over time. The literature further reveals a lack of longitudinal and comparative studies. Most studies rely on short-term observations or secondary data from a single time period. Comparative analyses between Arunachal Pradesh and other Himalayan or Border States with similar geographical and socio-cultural characteristics are notably absent, limiting broader policy insights. Additionally, the role of policy interventions and institutional mechanisms has not been

adequately examined. While government initiatives and tourism policies are mentioned in several studies, few assess their economic effectiveness or implementation outcomes. Empirical evaluations of policy impact on tourism growth and local livelihoods are largely missing. Finally, the absence of reliable and disaggregated tourism data emerges as a persistent gap. Inconsistent data on tourist inflow, expenditure patterns, employment generation, and revenue limits rigorous economic assessment and evidence-based policymaking. This data gap restricts the scope for advanced economic modelling and forecasting in tourism research.

CONCLUSION

This study has reviewed and synthesised existing literature on tourism economics in Arunachal Pradesh to understand the role of tourism in the state's economic development. The review reveals a broad consensus among scholars and policy studies that tourism holds considerable potential as a driver of income generation, employment creation, and regional development, particularly in a geographically remote and culturally rich state like Arunachal Pradesh. Eco-tourism, cultural tourism, and community-based tourism emerge as the most promising avenues for leveraging this potential while safeguarding environmental and cultural resources. However, the literature also highlights a significant gap between potential and actual economic outcomes. Persistent challenges such as poor connectivity, inadequate infrastructure, regulatory constraints, limited private investment, skill shortages, and environmental vulnerabilities continue to restrict the growth and economic contribution of the tourism sector. These constraints have resulted in a relatively modest contribution of tourism to the state economy despite increasing policy attention. The review further indicates that most existing studies are largely descriptive, with limited quantitative and region-specific economic analysis. Insufficient data availability, lack of micro-level studies, and minimal assessment of multiplier effects and policy outcomes limit a comprehensive understanding of tourism's economic impact. As a result, evidence-based planning and effective policy formulation remain constrained. In conclusion, the literature suggests that tourism can play a transformative role in the economic development of Arunachal Pradesh if supported by improved infrastructure, enabling policy frameworks, greater community participation, and sustainable planning practices. Future research should focus on rigorous economic assessment, district-level analysis, and long-term sustainability to bridge existing research gaps and to strengthen tourism as a viable and inclusive growth strategy for the state.

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