



A Study on Impact Of Tourism Development And Local Employment Opportunities

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Abstract: Tourism development plays an important role in improving economic growth and generating employment opportunities for local communities. The present study focuses on analyzing the impact of tourism development on local employment opportunities in selected tourism destinations such as Tharangambadi, Velankanni, Thanjavur, Karaikal, and Nagore. The study aims to identify the employment opportunities created through tourism activities, examine income improvement among local residents. The study is based on both primary and secondary data. Primary data were collected from 150 respondents through a structured questionnaire using simple random sampling technique. Statistical tools such as percentage analysis, correlation, ANOVA, Two-Way ANOVA, and MANOVA were used for data analysis and interpretation.

The findings reveal that tourism development significantly contributes to employment generation, business growth, income improvement, and enhancement of living standards among local residents. Tourism-related sectors such as hotels, transportation, restaurants, handicrafts, and local trade provide both direct and indirect employment opportunities. The study concludes that sustainable tourism planning and government support are essential for improving long-term employment opportunities and balanced regional development.

Keywords: Tourism Development, Employment Opportunities, Local Economy, Tourism Employment, Sustainable Tourism, Income Improvement, Living Standards, Tourism Activities, Economic Development, Local Communities.

I. INTRODUCTION

Tourism is one of the important industries that helps many countries improve their economy and create employment opportunities for local people. Nowadays, tourism is growing rapidly. Tharangambadi is known for its Danish colonial history and beach tourism. Velankanni is one of the most famous Christian pilgrimage destinations in India and attracts lakhs of tourists every year. Nagore is well known for the Nagore Dargah, which attracts religious tourists from different states. Thanjavur is famous for Brihadeeswarar Temple, art, architecture, and cultural tourism, while Karaikal is recognized for spiritual tourism and coastal attractions. The continuous growth of tourism in these areas has created employment opportunities in accommodation services, transportation, food services, handicrafts, and local trade activities.

Tourism supports women entrepreneurs, self-help groups, street vendors, and local artisans. However, tourism development may also create certain challenges including seasonal employment, environmental issues, overcrowding, rising prices, and unequal distribution of income. Therefore, it becomes important to study both the positive and negative impacts of tourism development on local employment opportunities. The present study focuses on understanding how tourism development influences local employment opportunities in selected tourism destinations such as Tharangambadi, Karaikal, Velankanni, Thanjavur, and Nagore. The study examines the economic benefits, business growth, employment generation, and challenges faced by local communities involved in tourism-related activities.

II. NEED OF THE STUDY

The need for the present study arises because tourism development has both positive and negative effects on local communities and many families in tourist destinations depend upon tourism-related income for their livelihood. While tourism increases employment and income opportunities, it may also lead to seasonal employment, overcrowding, environmental degradation, and rising living costs. Therefore, it is important to analyze whether tourism development actually improves sustainable employment opportunities for local residents.



The study is also useful for understanding how tourism contributes to the socio-economic development of local communities. It helps identify the challenges faced by workers and small business owners in tourism destinations. The findings of the study may assist government authorities, tourism departments, policymakers, and local entrepreneurs in improving tourism planning and employment generation strategies.

III. RESEARCH GAP

Most previous studies have concentrated either on religious tourism or heritage tourism individually, but comparative studies covering multiple tourism destinations within Tamil Nadu and Puducherry are very limited. There is also a lack of recent empirical studies examining how tourism development supports local youth employment, women entrepreneurship, small business growth, and seasonal workers in these tourism destinations. Therefore, the present study attempts to fill this research gap by analyzing the impact of tourism development on local employment opportunities across selected tourism regions.

IV. OBJECTIVES OF THE STUDY

1. To study the impact of tourism development on local employment opportunities.
2. To identify the types of jobs generated through tourism.
3. To analyse the economic benefits gained by local residents.
4. To identify challenges faced by locals in tourism jobs.
5. To study the role of government in promoting tourism-based employment.

V. SCOPE OF THE STUDY

The present study focuses on tourism development and its impact on local employment opportunities in selected tourism destinations such as Tharangambadi, Karaikal, Velankanni, Thanjavur, and Nagore. The study covers tourism-related employment activities including hotels, restaurants, transportation, handicrafts, local trade, tourist guiding, and small-scale businesses.

The scope of the study includes understanding how tourism contributes to income generation, business growth, infrastructure development, and improvement in living standards of local communities. The study also examines the challenges associated with tourism employment such as seasonal income, job insecurity, environmental issues, and competition among local businesses.

VI. REVIEW OF LITERATURE

According to the *UN Tourism Report (2024)*, tourism development improves regional economic growth and creates employment opportunities in accommodation, transportation, food services, and local handicraft sectors.

Lee and Jan (2024) examined the relationship between **tourism expansion and local job creation**. Findings showed that tourism positively influences small business growth and women's employment in tourist destinations.

Rasoolimanesh et al. (2023) explained that tourism development improves local employment generation through hotel industries, transport services, cultural businesses, and community-based tourism activities. The authors highlighted that **sustainable tourism planning** increases long-term employment opportunities for local residents.

Sharma and Kumar (2023) found that tourism growth supports self-employment opportunities among local youth, especially in rural tourism destinations. The study emphasized the importance of government support and skill development programs.

Patel (2022) observed that tourism employment is often seasonal and lacks job security. The study suggested that governments should provide **training programs and financial** support to improve employment quality in the tourism sector.

Rani and Prakash (2021) conducted research on religious tourism in South India and found that temple tourism increases income generation for local residents through hotels, flower shops, transportation, and food services.



Johnson and Lee (2019) stated that tourism supports local entrepreneurship and helps small businesses grow. Their study found that tourism activities encourage local people to start restaurants, souvenir shops, and travel-related services.

According to Smith (2018), tourism development significantly contributes to economic growth and employment generation in developing countries. The study highlighted that tourism creates multiple employment opportunities in hospitality, transportation, and entertainment sectors.

VII. RESEARCH METHODOLOGY

A. Research design

The present study follows a descriptive research design to analyze the impact of tourism development on local employment opportunities. The descriptive method is used to understand the relationship between tourism development and employment by collecting and analyzing the opinions and experiences of local residents without manipulating any variables. The population of the study consists of local residents, tourism workers, business owners, transport operators, shopkeepers, and people involved in tourism-related activities in Tharangambadi, Velankanni, Thanjavur, Karaikal, and Nagore. Both primary and secondary data have been used for the study. Primary data were collected directly through a structured questionnaire covering employment opportunities, income, nature of work, challenges, and government support. Secondary data were collected from journals, books, articles, websites, government reports, and previous research studies related to tourism development and employment. The study adopted a simple random sampling method, and a sample of 150 respondents was selected from the study areas for data collection and analysis.

B. Hypotheses

- H1: Tourism development significantly affects local employment opportunities.
- H2: Tourism development significantly improves the income level of local residents.
- H3: Tourism-related activities significantly influence the growth of local businesses.

C. Limitations

- The study is limited to selected tourism destinations such as Tharangambadi, Velankanni, Thanjavur, Karaikal, and Nagore only.
- The sample size is limited to 150 respondents.
- The study depends mainly on the opinions and responses of respondents, which may vary from person to person.
- Time constraints limited the collection of detailed information.
- Some respondents were unwilling to provide complete information.
- The study focuses only on tourism development and employment opportunities and does not cover all aspects of tourism.

VIII. DATA ANALYSIS AND INTERPRETATION

Data analysis and interpretation are essential in transforming raw data into meaningful insights. In this study, data were collected 150 respondents from selected areas such as Tharangambadi, Karaikal, Velankanni, Thanjavur, and Nagore. The data were coded and analyzed using statistical tools. Descriptive statistics such as percentage, mean, and standard deviation were used to understand response patterns, while inferential techniques like Correlation is used to identify the relationship between tourism development and local employment opportunities, while ANOVA is used to compare the opinions of different respondent groups regarding the impact of tourism development on employment opportunities. Two-Way ANOVA and MANOVA are statistical tools used to analyze the impact of tourism-related factors on employment opportunities, income improvement, and living standards among respondents in the study area.

TABLE I: CONSOLIDATED DEMOGRAPHIC PROFILE OF RESPONDENTS

Variable	Category	No.of Respondents	Percentage (%)
Gender	Male	76	50.7%
	Female	70	46.7%
	Others	4	2.7%
Age	Below 20 years	31	20.7%



Educational Qualification	21–30 years	56	37.3%
	31–30 years	19	12.7%
	41-50 years	28	28.7
	Above 50 years	16	10.7%
	Primary	21	14.0%
	Secondary	34	22.7%
	Higher Secondary	20	13.30%
	Graduate	48	32.0%
	Postgraduate	27	18.0%
Occupation	Tourism-related job	23	15.3%
	Non-tourism job	28	18.7%
	Self-employed	39	26.0%
	Student	47	31.3%
	Unemployed	12	8.0%
Place of Residents	Tharangambadi	30	20.0%
	Karaikal	30	20.0%
	Velankanni	30	20.0%
	Thanjavur	30	20.0%
	Nagore	30	20.0%
Duration of Living Area	< 5 years	27	18.0%
	5–10 years	56	37.3%
	11-20 years	22	14.7%
	> 20 years	45	30.0%
Tourism Activity	Hotel/Homestay	29	19.3%
	Transport Service	33	22.0%
	Tourist Guiding	17	11.3%
	Handicrafts/Souvenirs	24	16.0%
	Footstall/Restaurant	21	14.0
	Others	26	17.3

Source: **Computed**

The demographic analysis shows that the majority of respondents are male (50.7%), while female respondents account for 46.7%. Most respondents belong to the age group of 21–30 years (37.3%), indicating greater involvement of young adults in tourism-related activities. In terms of educational qualification, the majority are graduates (32%), reflecting higher awareness and participation in tourism opportunities. Regarding occupation, most respondents are students (31.3%) followed by self-employed individuals (26%). This indicates that respondents from different occupational backgrounds are involved in tourism-related activities and employment opportunities in the study area.



The respondents are equally distributed from Tharangambadi, Karaikal, Velankanni, Thanjavur, and Nagore, ensuring balanced opinions from different tourist destinations. Most respondents have lived in the study area for 5–10 years (37.3%), showing familiarity with local tourism conditions. Transport services (22%) and hotel/homestay activities (19.3%) are identified as the major tourism-related activities in the study area.

TABLE II: RELATIONSHIP BETWEEN TOURISM EMPLOYMENT INCOME AND LIVING STANDARDS OF WORKERS

In this study, correlation analysis is applied to identify the relationship between income improvement and living standards of workers through tourism employment opportunities.

		IMPROVE INCOME	LIVING WORKERS STANDARDS
IMPROVE INCOME	Pearson Correlation	1	.420**
	Sig. (2-tailed)		.000
	N	150	150
LIVING WORKERS STANDARDS	Pearson Correlation	.420**	1
	Sig. (2-tailed)	.000	
	N	150	150

Source: **Computed**

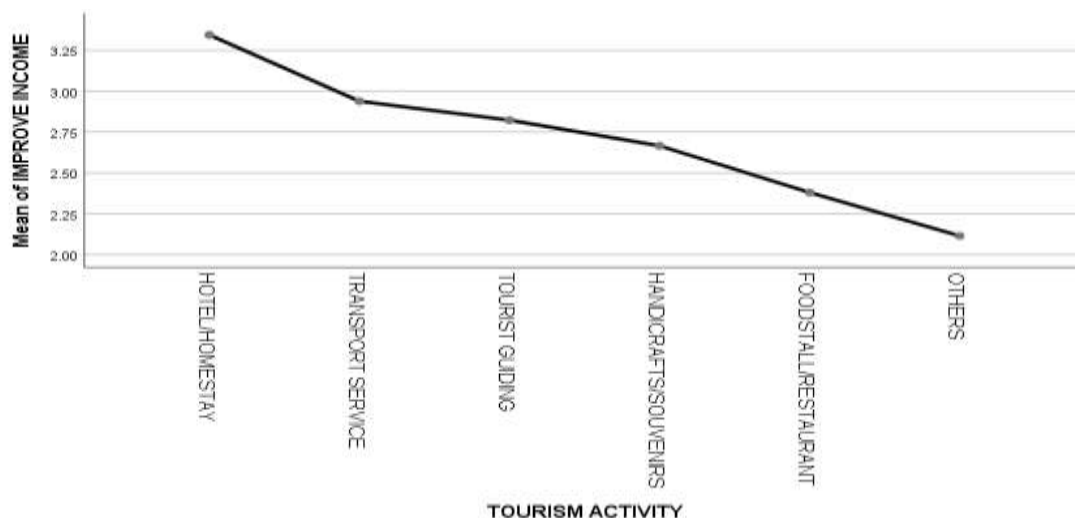
The correlation analysis reveals that there is a moderate positive relationship between income improvement and living workers standards, as the Pearson correlation value is 0.420. The significance value (0.000) is less than the 0.01 level, indicating that the relationship is statistically significant. Therefore, it can be concluded that improvement in income through tourism employment positively influences the living standards of workers in the study area.

TABLE III: ANALYSIS OF VARIANCE ON TOURISM ACTIVITY IN THE STUDY AREA

ANOVA (Analysis of Variance) is a statistical tool used to identify whether significant differences exist among different groups based on a selected variable. In this study, ANOVA is used to examine the differences in tourism activity among respondents.

TOURISM ACTIVITY					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	67.018	4	16.755	5.995	.000
Within Groups	405.255	145	2.795		
Total	472.273	149			

Source: **Computed**



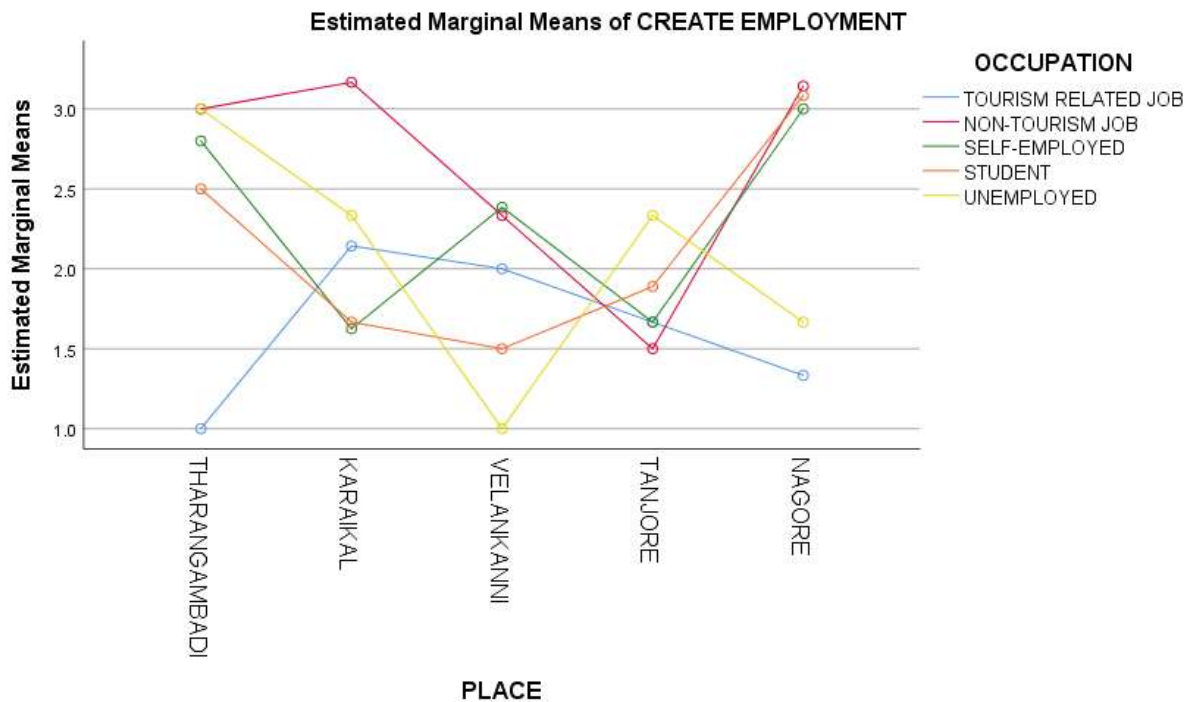
The ANOVA result reveals that there is a significant difference in tourism activity among the respondents, as the significance value (0.000) is less than the 0.05 level. Hence, the null hypothesis is rejected and it is concluded that tourism activity significantly differs among the respondents in the study area.

TABLE IV: EFFECT OF PLACE AND OCCUPATION ON EMPLOYMENT-TWO-WAY ANOVA ANALYSIS

In this study, it is used to examine whether place and occupation significantly influence employment creation through tourism activities in the selected tourist destinations.

Source	Sum of Squares	df	Mean Square	F	Sig.
PLACE	7.988	4	1.997	1.561	.189
OCCUPATION	11.757	4	2.939	2.297	.063
PLACE * OCCUPATION	28.978	16	1.811	1.415	.145
Error	159.938	125	1.280		
Total	978.000	150			

Source: Computed



The Two-Way ANOVA analysis was conducted to examine the influence of place and occupation on employment creation through tourism activities. The result shows that the significance value of place ($p = 0.189$) and the interaction effect between place and occupation ($p = 0.145$) are greater than 0.05, indicating that they do not have a statistically significant influence on employment creation. Similarly, occupation also does not show a significant effect at the 5% level ($p = 0.063$), although it is comparatively closer to significance. Therefore, it can be concluded that place, occupation, and their interaction effect do not significantly influence employment creation through tourism activities.

IMPACT OF TOURISM ACTIVITIES ON INCOME IMPROVEMENT, LIVING STANDARDS, AND INCOME OPPORTUNITIES-MANOVA ANALYSIS

In this study, MANOVA is used to examine the impact of tourism activities on income improvement, living standards of workers, and income opportunities among the respondents.



TOURISM ACTIVITY- Improve Income, Living Standards, and Income Opportunities	Wilks' Lambda	.765	2.663	15.000	392.401	.001
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Dependent Variable	Sum of Squares	df	Mean Square	F	Sig.
IMPROVE INCOME	25.019 ^a	5	5.004	4.193	.001
LIVING WORKERS STANDARDS	31.274 ^b	5	6.255	4.745	.000
INCOME OPPORTUNITY	13.886 ^c	5	2.777	1.600	.164

Source: **Computed**

The multivariate test results show that tourism activity has a statistically significant effect on the combined dependent variables, as the significance value of Wilks' Lambda is 0.001, which is less than the 0.05 level. Therefore, it can be concluded that tourism activities significantly contribute to improving the income level and living standards of respondents, while their influence on income opportunities is comparatively less significant in the study area.

IX.FINDINGS OF THE STUDY

The study found that tourism development has created significant employment opportunities for local people in selected tourist destinations such as Tharangambadi, Velankanni, Thanjavur, Karaikal, and Nagore. Hotels, restaurants, transport services, handicrafts, and local trade activities provide both direct and indirect employment opportunities for residents. Tourism development has improved income levels, living standards, and business growth among local communities. The study also revealed that women participation in tourism-related activities and self-employment opportunities has increased considerably. In addition, tourism has contributed to infrastructure development such as roads, sanitation, and communication facilities. However, seasonal employment, income instability, overcrowding, and environmental pollution remain major challenges faced by local people involved in tourism-related occupations and sustainable tourism planning is necessary.

X.SUGGESTIONS

- Provide tourism training programs for local youth.
- Offer financial support for small tourism businesses.
- Improve roads, sanitation, and transport facilities.
- Promote environmental protection and sustainable tourism.
- Encourage local community participation in tourism activities.
- Support women entrepreneurs through training and self-help groups.
- Create awareness about responsible tourism.
- Reduce dependency on seasonal tourism employment.

XI.CONCLUSION

Tourism development plays an important role in improving employment opportunities and economic growth. Tourist destinations like Tharangambadi, Karaikal, Velankanni, Thanjavur, and Nagore benefit through hotels, transport services, restaurants, and local businesses. Tourism also improves infrastructure and supports women entrepreneurship. However, issues like seasonal employment and environmental problems should be managed properly. Sustainable tourism development is necessary for long-term economic and employment growth.

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