



## **TOURISM ENTREPRENEURSHIP IN INDIA: BENEFITS, CHALLENGES & IMPLICATION OF RUSSIA –UKRAINE WAR ON INDIAN TOURISM**

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### **ABSTRACT**

*Entrepreneurship in the field of tourism sector is known as tourism entrepreneurship. It refers to all activities and business that offers tourist products and services to the needy people. This type of enterprise involves emerging business activities in the area of accommodation, transportation, shops, entertainment, and many others. The tourism and hospitality industry may offers number of entrepreneurial opportunities for small business development. Now a day's tourism is considered as a highly competitive field of activity. Entrepreneurships in this industry mainly give attention on economic development of tourist ranges, aim to create new maintainable businesses by increasing the capability and willingness of enterprises to organize the business and undertake risks thereby earn more profit, create more employment opportunities, increase standard of living of the people, attracts foreigners, increase the flow of fund from foreign country etc. So, Tourism industry is one of the fastest growing industry which leads to economic development for the developing countries like India. The war between Ukraine and Russia started in 2014 and it is in its maximum in 2022. People in all areas, economic conditions of various countries were affected due to the war .it also affect Indian tourism. This study is an attempt to understand the term tourism entrepreneurship, its opportunities and challenges, present condition of India on tourism etc.*

**KEYWORDS:** entrepreneurship, tourism entrepreneurship, development, implication

### **INTRODUCTION**

Tourism is the process of finding time away from home for leisure, relaxation and enjoyment .Tourism sector is an economic powerhouse for the development of a nation. This sector creates large number of employment opportunities. Moreover it will act as a root map



for the improvement of the quality of life of the people. Facilitating as well as strengthening of tourism is the main motto of Ministry of Tourism in India.

Entrepreneurship is the process of developing, organizing and running an enterprise, for gaining profit from the uncertainties prevailing in the market. Characteristics that make entrepreneurship successful are ability to take risk, innovation, clear vision of new venture, quality of leadership, flexible and open minded personality. The person who undertakes this activity is known as an entrepreneur, who always search for changes, responds to it and exploit it as an opportunity, work hard, bear risk.

Tourism entrepreneurship refers to the activities designed effective and profitable interaction of demand for and supply of tourism products. Tourism Products are a mixture of goods and services demanded by a traveller during travel to and halt at a destination. These include natural, cultural and manmade things and facilities such as hotels, transport and subsidiary services. In this process, tourists develop an experience which differs from person to person. From a broader perspective, the sum total of experiences experienced by the tourists during the entire trip can be treated as the tourist product.

Tourism Entrepreneurship creates numerous employment opportunities. It is the hub of innovation that offers new product ventures, market, technology and quality of goods, etc., it will leads to increase the per capita income of the people and national income too. Increase in the consumption of various goods and services by a household for a particular period leads to rises the standard of living of people. It also assists the organization towards a more stable and high quality of community life. Community development can be achieved through the process of tourism entrepreneurship.

Entrepreneurs are facing various problems to run their business unit every day is a challenging one for the entrepreneurs. Starting business is not an achievement, keeping one is a big challenge. Usual as well as unexpected threat and challenges may come to daily life of every business. So the entrepreneurs should be vigilant and alert enough.

In this study "Tourism entrepreneurship in India: opportunities, challenges and Impact of Russia –Ukraine war on Tourism entrepreneurship" the researcher analyses the



term tourism industry ,tourism entrepreneurship, benefits and challenges of tourism entrepreneurship present condition of India on tourism, Implication of Russia Ukraine war on tourism industry in India etc.

### **OBJECTIVES OF THE STUDY**

- To study the concept of tourism entrepreneurship.
- To understand the relevance, benefits and challenges of tourism entrepreneurship.
- To know tourism entrepreneurship in India.
- To assess the implication of Russia- Ukraine war on tourism entrepreneurship

### **RESEARCH METHODOLOGY**

In the current study, the researchers depend on on existing literature to discover the details regarding entrepreneurship, tourism entrepreneurship, present situation of India on tourism sector, etc. the researcher obtained especially from the various online database sources which include Google Scholar, Springer Link, Research Gate, Emerald, Scopus etc. Additionally, the researchers have tried to search data not only from articles recently published but also from conference proceedings, annual report of Indian ministry of tourism, books, newspaper cuttings, published dissertations etc.

### **REVIEW OF LITERATURE**

- (Koh Y khoo 2002)has conducted a study to explain the importance given, role and value of tourism entrepreneur in tourism development studies. Researcher mainly explain that the tourism entrepreneur is the main reason for the development in the field of tourism, but he didn't get that much importance in tourism development studies.in the words of researcher tourism entrepreneur is the only overlooked player in tourism development studies. In this research article the researcher proposes a description and typology of the tourism entrepreneur with an outline to increase the supply of indigenous tourism entrepreneurs.
- (Solvoll, Alsos, and Bulanova 2015) has addresses the gap by reviewing and evaluating the current literature on tourism entrepreneurship. The researchers inspect the development in published articles from 2000 to 2012 and confer how the literature on tourism entrepreneurship connected to the mainstream entrepreneurship literature in



relations of research questions, theoretical viewpoints and functional methods. They review the literature on tourism entrepreneurship and evaluate trends and developments. They found both potential strengths and weaknesses of the current literature. The number of articles published in recent years were increased, but the articles are still mostly published in tourism journals only, and rare are published in other top-ranked journals

- (Carmichael and Morrison 2011) in his editorial article contemplate to the evolving and rising body of information on tourism entrepreneurship in a multiplicity of contexts and settings. Notwithstanding the numerous academic disciplines that may notify this research to date, it rests apparent that tourism entrepreneurship scholarship continues to remain a mostly neglected part of research among tourism scholars as well as among entrepreneurship scholars.
- (Ratten 2019) in this research paper the author reviewed past research papers on tourism entrepreneurship. Also suggest future research trend on tourism entrepreneurship. The author explain how the research on tourism entrepreneurship had changed and the future divers of change on the industry will be and the progress on this topic in the last 75 years.
- (Alhammad 2020) analyzes the peer-reviewed journal articles related to entrepreneurship in the tourism field .He categorized each articles on this area of study according to its main attributes, methodological attributes and its content. In this study the author draw out the structure of entrepreneurship research and identify the main trends, gaps and academic contributions in this field. The author opined that significance of entrepreneurship for tourism and local community participation in tourism actions have been documented by both researchers and practitioners. This article aims at recognizing the state of academic research on tourism entrepreneurship and finding what should be done in the development of the entrepreneurship theories in the tourism field.
- (Figueroa-Domecq et al. 2020) point out how gender influences sustainable entrepreneurship, providing insights for tourism entrepreneurship policy. The



researchers conclude the study that women have lower entrepreneurial intentions than men.

- (Trip et al. 2021) has studied Tourism, entrepreneurship, and sustainability. They analyzed numerous articles among them 322 articles concerning tourism and entrepreneurship, from which 14 articles on entrepreneurship and sustainable tourism were obtained. They concluded that sustainability is becoming a strategic approach for tourism and highlights the importance of this subfield within the entrepreneurial tourism literature. This study helps them understand how to integrate sustainability in their responses to environmental challenges and tourism trends.

## **DISCUSSIONS AND FINDINGS**

### **Tourism industry**

The tourism industry has incredible capacity to create direct and indirect entrepreneurial opportunity. The tourism industry provides career opportunities in the areas of food and accommodation, beverage services, recreation, amusement and entertainment, transportation and travel services. All of these areas contain business opportunity at different levels of people.

### **Entrepreneurship**

“Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services”- A. H. Cole

### **Tourism entrepreneurship**

Tourism entrepreneurship refers to the activities designed effective and profitable interaction of demand for and supply of tourism products. Entrepreneurship in the field of tourism sector is known as tourism entrepreneurship. It refers to all activities and business that offers tourist products and services to the needy people. This type of enterprise involves emerging business activities in the area of accommodation, transportation, shops, entertainment, and many others.

### **Benefits of tourism entrepreneurship**

- Creating Employment Opportunities:



Entrepreneurship empowers individual to form small business. Entrepreneurs provide direct and indirect large-scale employment to the jobless people which is a chronic problem of underdeveloped and developing nations.

The labor-intensive nature of small-scale tourism business generates more jobs to improve poverty in the country.

- Reduction in rural urban migration :

By creating employment opportunities tourism entrepreneurship decreases the intensity of rural urban migration.

- Improvement in the Standard of Living

Entrepreneurs play a crucial role in increasing the standard of living of the people by implementing latest innovations and creativity in the production of wide variety of goods and services in large scale at a lower cost.

- Development of the Economy:

The payment for the different factors to production and returns made by entrepreneur, leads to increase in the national income and the gross domestic product, which develops the standard of living of the citizens of the country and bring up economic development.

- Development of Local Technological Base:

Tourism Entrepreneurship will support in improving the transferable wanted technology for the speedy transformation of the rural environment.

- Conservation of Foreign Exchange

Tourism entrepreneurship boost the flow of foreign money to the domestic country. The direct expenditure boosts the receipt of foreign exchange, which has multiplier effect of the economics of the local environment.

#### **Challenges of Tourism Entrepreneurship:**

- Inadequate Infrastructure:

Good infrastructural facilities in transportation, communication, electricity supply, water supply were needed for the successful running of tourism entrepreneurship in India.

- Failure to Adapt Changes



Tourism entrepreneurs should have flexibility of mind in operation because of changing business environment.

○ Security Issues:

Lack of security and insufficient protection of lives and belongings of the visitor by various security agencies had stuck tourist investment. Security condition in the country has affected the inflow of international tourism of the country.

○ National De-moralization:

Corruption prevailed in the country make the procurement of licenses, permits, goods, and services from government agencies and even payment of taxes without giving bribes.

○ Inconsistent Government Tourism Policies:

Government policy inconsistency has caused challenges among entrepreneurs.

○ Other challenges:

It includes Lack of Credit Facilities, Highest tax rate ,Domination of corporate, Lack of government advertisement, Lack of tourist destination amenities, Lack of government incentives ,Law and order problems ,Inadequate bank loan assistance, Lack of skilled workers,Poor traffic management ,Poor civic facilities ,Power shortage ,Water scarcity, Unfriendly tourism culture ,Lack of site seeing/Entertainment, Poor operation of TTDC ,Lack of co-ordination between the department of tourism and Bureaucracy and red-tapism.

### **Tourism entrepreneurship in India**

In recent years, a wealthy middle class has established itself in Russia and Ukrain, for whom vacations are important — from package holidays to luxury trips. Countries like Cuba, Indonesia, Thailand, India and Turkey have welcomed an ever-growing number of Russian tourists. The Maldives, the Seychelles and Sri Lanka have also attracted more and more guests from Russia.

According to the most recent UNWTO figures from 2020, Russian tourists provided \$14 billion (€12.9 billion) in revenue worldwide and accounted for 3% of tourism revenue. Before the pandemic, Russian tourists generated more than double that: \$36 billion.



Ukrainian travelers contributed another \$8.5 billion, according to the World Tourism Organization's data.

The tourism situation has changed in the above-mentioned countries, since Russia invaded Ukraine at the end of February. Based on last year's figures from the Indian Tourism Statistics reports, the country had around 2.51 million visitors from Russia, plus .29 million people from Ukraine.

It is always logical for a country not to depend on too much on vacationers or holiday makers from a single country. Due to Russia -Ukraine war the total number of tourists were decreased in India due to the ban in the airways.

Until the pandemic, the tourism sector had been developing steadily over the last 20 years. Many countries had accomplished to diversify. India, for example, attracts around 2.51 million Russian tourists, as well as many millions from other parts of the world.

Table No:1

**NATIONALITY-WISE FOREIGN TOURIST ARRIVALS IN INDIA, 2018-2022**

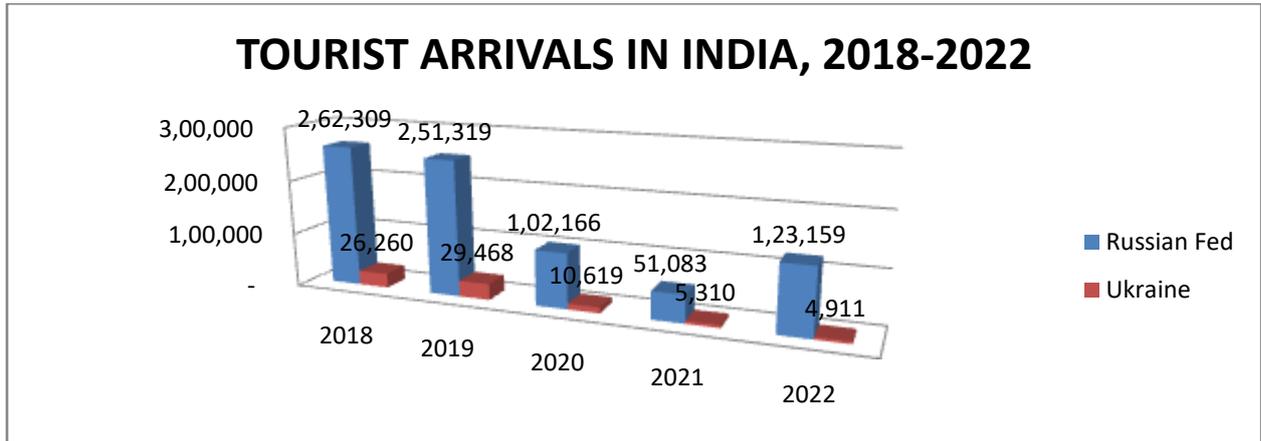
| Country Name | 2018   | 2019   | 2020   | 2021* | 2022**,*** |
|--------------|--------|--------|--------|-------|------------|
| Russian Fed  | 262309 | 251319 | 102166 | 51083 | 123159     |
| Ukraine      | 26260  | 29468  | 10619  | 5310  | 4911       |

Source:India Tourism portal (<https://tourism.gov.in>)

From the table 2018 to 2020 data received from India Tourism portal \*2021 data assumed 50% of 2020 tourists statistics not yet published by Govt .\*\*2022 Russia Touristsforecastedas per 20% of total tourists in the period of 2018 to 2020.\*\*\*2022 UkraineTourists calculated as per the data from 2019 average. Just 2 months.



Figure No:1



- In india, Foreign Tourist Arrivals (FTAs) FTAs during 2021 were 1.41 million (Jan-Dec) (Provisional) with a negative growth of 48.6% over same period of the previous year.
- Foreign Exchange Earnings (FEEs) FEEs during the period during Jan 2020 – Dec 2020 were Rs.50,136 crores (Provisional estimates) with a negative growth of 76.3% over same period of previous year. FEEs during the period during Jan 2020 – Dec 2020 were US\$ 6.958 billion (Provisional estimates) with a negative growth of 76.9% over same period of previous year.
- INDIA's Travel & Tourism competitiveness Index ranking has improved since 2013 , India has bagged 34th position in 2019

Table No: 2

India's Travel & Tourism competitiveness Index ranking since 2013 has improved. The details are as follows:

| YEAR | 2013 | 2015 | 2017 | 2019 | 2021 |
|------|------|------|------|------|------|
| RANK | 65   | 52   | 40   | 34   | 34   |

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1592093>)

- Ministry of Tourism, Government of India has taken several steps for creation of tourism infrastructure in the country so as to attract more tourists, which inter-alia include :Launch of two flagship schemes: Swadesh Darshan - Integrated Development of Theme-Based Tourist Circuits and PRASHAD- Pilgrimage



Rejuvenation and Spiritual, Heritage Augmentation Drive. The projects under these schemes are identified for development in consultation with the State Governments/UT Administrations and are sanctioned subject to availability of funds, submission of suitable detailed project reports, adherence to scheme guidelines and utilization of funds released earlier.

## CONCLUSION

Tourism entrepreneurs and their business problems are totally different from other entrepreneurs. Failure or success of the tourism entrepreneurs purely based on the external environment support such as tourism infrastructure facilities, government policy, subsidies, , and tax policy, political stability of the country and state or region. so the government authorities should support morally the entrepreneurs to make them happy. The study's results reveals that entrepreneurship helps to create economic development through various SMEs actions. Basically, entrepreneurs take initiative for these activities that can generate self-employment for themselves as well as employment opportunities for others.

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