

## Chapter 4

# The Economic Effects of Spiritual Tourism in India and Pakistan

**Farooq Haq**

*Canadian University of Dubai, UAE*

**Anita Medhekar**

*Central Queensland University, Australia*

### ABSTRACT

*This conceptual study builds on the argument that urbanisation is driving economic development and innovation in various industries including tourism. One of the recently recognised innovation in tourism is the business of spiritual tourism. This chapter is based on a study on spiritual tourism in India and Pakistan as an innovation linked with urbanisation of tourism. The aim of this chapter is to present the link between economic indicators that are associated with urbanisation of spiritual tourism based on people, places and events. The discussion analyses the economic perspectives of tourism urbanisation in literature review and provides an understanding of spiritual tourism as a tourism innovation. Findings of this research indicate five economic indicators with respect to spiritual tourism as a tourism innovation. Future research direction highlights need for an empirical study with spiritual tourists in India and Pakistan to ascertain urbanisation effect on spiritual tourism innovation.*

### INTRODUCTION

Spiritual tourism is an integrated, social, cultural, environmental and economic activity in the Indian subcontinent. It has played an important role in sustaining the local economies of India and Pakistan. Both countries have many places of spiritual significance to Islam, Hinduism, Buddhism, Jainism, Sikhism and Zoroastrianism. Spirituality permeates everyday life of the local pilgrims living within the vicinity of spiritual places with an increasing number of inter-state domestic spiritual tourists. However, until recently, the governments of both countries have not given much importance in developing this segment of spiritual tourism as an important economic activity. Local spiritual societies, trusts and committees

DOI: 10.4018/978-1-5225-2659-9.ch004

have been managing spiritual tourism related economic activities for hundreds of years. It contributes to the economic activity starting from vendors selling flowers, candles, souvenirs, sweets, fruits and other offerings made by the devotees. Economic effects of spiritual tourism development on the two countries are very significant. Spiritual tourism related businesses not only create new job opportunities in organised and unorganised sectors in the tourism and hospitality industry, but also in construction, infrastructure development, local transportation, tour guides in foreign languages, small tea shops, reviving and sustaining local handicrafts and cottage industries related to spirituality. International spiritual tourists also bring in foreign exchange revenue and help to promote peace and cultural understanding. To attract international spiritual tourists, both countries need to see it as an innovative opportunity to invest in this segment of spiritual tourism in terms of infrastructure development and easy access by roads, registered tour guides with multi lingual skills, food, and accommodation.

The economic effects of spiritual tourism development in India and Pakistan are very significant. Tourism in general and spiritual tourism in particular contributes to Gross Domestic Product (GDP) of countries, cities, and small towns where spiritual tourism is an integrated social, cultural, environmental and economic activity in the Indian subcontinent. Towns and cities popular for their pilgrimage like famous Sikh Temples and Mosques and in Pakistan in Lahore, Multan, Sheikhpura and Karachi; likewise Allahabad, Ajmer, Shirdi, Varanasi and Haridwar in India have attracted small businesses and worked on infrastructure development for the pilgrims (Karar, 2010). Thus, development of spiritual tourism places and products helps to preserve local culture, natural environment, handicrafts and help local communities to have a pride in their cultural assets and heritage, and reap the benefits from spiritual tourism development.

The Government of India has realised the economic significance of rejuvenating religious and holy sites and monuments by taking innovative measures to encourage domestic spiritual tourism. They have developed spiritual tourism circuits and transport facilities such as roads, airports, mobile application for tourist help-line and setting up a National Mission for Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) to encourage and promote spiritual tourism development (Haq & Medhekar, 2015a). This has resulted in urbanization and development around villages and towns with spiritual significance.

Globalization is driving the growth of urbanization in many countries around the world. Countries in the East or West, developed or underdeveloped, democratic or autocratic; all are witnessing massive shift of their populations from the countryside to the bigger cities. United Nations (2016) reported that the urban population in 2014 accounted for 54% of the total global population, up from 34% in 1960, the urban population growth is concentrated in the less developed regions of the world and it is estimated that by 2017, a majority of the people will be living in urban areas. Thus, urbanization is having positive as well as negative effects on economic development and daily lives of citizens (Kundu, 2011). The UN estimates that 54.5% of the global population live in urban cities, and it is projected to increase to 60% by 2030 (United Nations, 2016).

In India, from a total population of 1.21 billion, 377 million people are living in urban areas, and nearly an estimated 10 million migrate each year to nearby cities (Government of India, 2011). Urbanization in India will grow at a rate of 2.4% per year (World Bank, 2016). Census of India in 2011 reported that out of a total 1.21 billion population, the size of rural population was 833.1 million (68.84%) of the total population and urban population of 377.1 million (31.16%). In a decade from 2001 to 2011 census, the population of India increased by 181.4 million, with 90.4 million increase in rural areas and 91.0 million in urban areas (Census of India, 2011). Comparatively, the population of Pakistan is almost 194 million, of which 38.6% of people live in urban areas (Worldometers, 2016). The World Bank (2016)

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