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Tourism as a Catalyst for Local Employment and Income Generation in Uttar Pradesh

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Abstract
Tourism can support regional development by generating demand for accommodation, food services, transport, retail, guiding, cultural experiences and local products. Uttar Pradesh provides a relevant setting because its tourism economy combines pilgrimage, religious, heritage and cultural destinations. This paper examines the relationship between tourism activity and local employment and income generation, focusing on Ayodhya, Varanasi, Prayagraj, Agra, Lucknow, Mathura and Vrindavan. The study uses secondary data from the Ministry of Tourism, Government of Uttar Pradesh/Invest UP and NITI Aayog. The source figures report 646.81 million domestic tourist visits and approximately 2.27 million foreign visits to Uttar Pradesh in 2024; total state-reported footfall was approximately 649.08 million, compared with 480.13 million in 2023. Ayodhya's reported footfall increased from 57.57 million in 2023 to 164.42 million in 2024, while Varanasi and Mathura also recorded increases. These figures show the scale of tourism activity but do not directly measure jobs created or income retained by local households. The paper therefore analyses economic transmission channels rather than claiming a causal or econometrically estimated impact. It argues that local gains depend on local ownership, procurement, skills, job quality, visitor spending, length of stay and sustainable destination management.

Keywords: *Tourism; Local Employment; Income Generation; Uttar Pradesh; Destination Development; Secondary Data; Sustainable Tourism*

1. Introduction
Tourism is more than a leisure activity: it creates demand for a network of goods and services in destinations. Expenditure on accommodation, meals, transport, shopping, guiding, cultural experiences and religious products can provide revenue to local firms and income to workers. The effects may extend to suppliers such as farmers, food producers, artisans, laundry providers, maintenance workers and small transport businesses. Uttar Pradesh provides a useful setting because its destinations represent different visitor motivations. Ayodhya, Varanasi, Prayagraj, Mathura and Vrindavan are major religious and pilgrimage centres; Agra is internationally recognised for its built heritage; and Lucknow combines heritage, cuisine, culture, shopping and handicrafts. Each destination has a different tourism profile, seasonal pattern and potential pathway for local income generation. The key question is not only whether visitor numbers rise, but whether tourism growth creates stable, fairly paid work for local residents. Visitor counts alone cannot establish this. Distribution of benefits also depends on average expenditure, length of stay, local procurement, business ownership, wage levels, seasonality and the extent to which revenue leaves the destination.

2. Tourism Scenario in Uttar Pradesh
The Ministry of Tourism's India Tourism Data Compendium 2025 reports 646.81 million domestic tourist visits to Uttar Pradesh in 2024 and approximately 2.27 million foreign tourist visits. Figures attributed to the Uttar Pradesh Tourism Department and reported by Invest UP place total state-reported footfall at about 649.08 million in 2024, compared with 480.13 million in 2023. Based on these rounded figures, total footfall increased by approximately 35.2%. These numbers indicate a large visitor economy, but they require careful interpretation. A visit or footfall count is not necessarily a count of unique individuals; repeat visits may be included. Different datasets may also

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use different definitions and collection procedures. Statewide visitor totals do not directly reveal average spending, employment conditions or how much income remains within local communities. National tourism employment estimates provide context, but should not be mistaken for state-specific tourism jobs. The source paper reports approximately 84.63 million direct and indirect tourism-related jobs nationally in 2023–24 and a 5.22% contribution to GDP. These figures establish wider economic significance, not the exact number of tourism jobs in Uttar Pradesh. As shown in Figure 1 Reported tourism indicators for Uttar Pradesh, 2023–2024. Counts may include repeat visits[1-11].

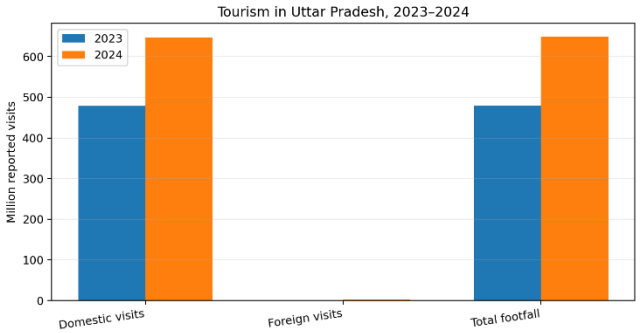


Figure 1 Reported tourism indicators for Uttar Pradesh, 2023–2024. Counts may include repeat visits

3. Research Gap and Rationale

Tourism activity in Uttar Pradesh has expanded, and the selected destinations have experienced different patterns of visitor growth. However, publicly available, comparable destination-level information on tourism-specific employment, wages, household income, visitor expenditure and local procurement is limited. Without these indicators, a direct comparison of the economic return generated by each destination is not possible. This paper addresses the gap through a structured analysis of official visitor indicators and broader services-employment data. Its contribution is analytical rather than causal: it distinguishes observed visitor trends from mechanisms through which tourism may affect local jobs and income, and identifies data needed for stronger future measurement.

4. Objectives and Research Questions

Objectives: (i) examine recent tourism growth in Uttar Pradesh; (ii) explain the main channels linking tourism to local employment; (iii) examine how visitor expenditure may support local income; (iv) compare selected destinations using available visitor indicators; (v) identify constraints on inclusive tourism-led development; and (vi) recommend measures to strengthen local economic benefits. Research questions: How has reported tourism activity changed in Uttar Pradesh? Through which sectors can tourism support local employment? What determines whether tourism spending becomes local household income? How do the selected destinations differ in their tourism profiles? What data and policy measures are needed to improve the quality and distribution of tourism-led benefits?

5. Research Methodology

The study follows a descriptive and analytical design and uses exclusively secondary data. Principal sources are the Ministry of Tourism's India Tourism Data Compendium 2025, Uttar Pradesh Tourism Department figures reported by Invest UP, and NITI Aayog's report on services-sector employment. No primary survey, questionnaire, interview or respondent-based data are used. The analysis uses year-to-year percentage change, comparative tables and graphs, and a conceptual assessment of employment and income channels. No correlation, regression or causal estimate is reported because consistent tourism-specific employment and income time series are not available for all seven destinations. This avoids presenting unsupported numerical estimates. Comparability requires caution. Statewide domestic and foreign tourist visits are reported by the Ministry of Tourism, while destination footfall figures are attributed to the state tourism department through Invest UP. These measures are related but may not be identical in definition or collection. Graphs present reported figures as supplied in the source paper and should not be interpreted as perfectly harmonised measures.

6. Conceptual Framework: From Visitor

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Page No: 2903 - 2909

Activity to Local Benefits

Tourism may affect local economies through direct, indirect and induced channels. Direct effects include wages and business revenue in hotels, guest houses, restaurants, transport, guiding and visitor-facing retail. Indirect effects arise when these enterprises purchase goods and services from farmers, artisans, wholesalers, maintenance providers and other businesses. Induced effects occur when tourism workers and business owners spend their earnings locally. The pathway can be summarised as: visitor arrivals → visitor expenditure → enterprise revenue → wages, self-employment and supplier purchases → household income → local consumption. The strength of each link depends on how much visitors spend, the share of purchases sourced locally, labour intensity, local ownership and employment quality. Visitor volume should be treated as an indicator of activity rather than a complete measure of local development. A destination that encourages longer stays and local shopping may create more local value per visitor than one dominated by brief visits. Rapid growth can also increase congestion, waste, pressure on water and sanitation, and strain on public services if infrastructure and management do not keep pace.

7. Tourism and Employment Generation

Tourism-related work includes formal employment, seasonal work and self-employment. Relevant activities include accommodation, restaurants and street food, taxis and e-rickshaws, buses, travel services, tour guiding, boat services, souvenir sales, religious products, handicrafts, event support, cleaning, maintenance and construction connected with tourism infrastructure. The source paper reports that NITI Aayog's 2025 services-employment analysis estimated approximately 22.1 million workers in Uttar Pradesh's services sector in 2023–24, equal to 22.7% of the state's workforce. Within services employment, wholesale and retail trade accounted for 44.0%, transportation and storage 13.5%, and accommodation and food services 6.3%. These are broad services-sector shares, not tourism-only employment estimates. They identify sectors through which tourism spending may affect employment.

Employment gains should be evaluated by more than job counts. Wages, working hours, seasonality, social protection, workplace safety, skill progression and opportunities for women and young people also matter. A policy focus on job quality helps distinguish sustainable development from short-term, insecure work. As shown in Figure 2 Selected services-employment shares in Uttar Pradesh, 2023–24. These are not tourism-only employment figures.

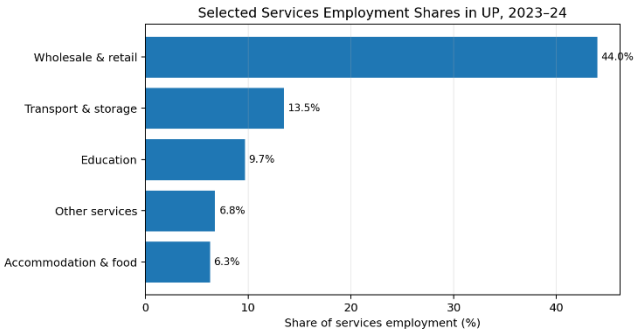


Figure 2 Selected services-employment shares in Uttar Pradesh, 2023–24. These are not tourism-only employment figures

8. Tourism and Local Income Generation

Tourist spending can create income for enterprise owners, employees, suppliers and self-employed workers. The local multiplier is likely to be stronger when tourism businesses buy local food and crafts, hire residents, use local transport and retain profits in the destination. It may be weaker when inputs are purchased from outside the region, firms are externally owned, or jobs are low-paid and intermittent. In Ayodhya, potential channels include accommodation, food, local mobility, religious items, guiding and retail. In Varanasi, these may include boat services, silk and other crafts, food, guiding and cultural experiences. Mathura and Vrindavan have religious products, accommodation, food, transport and festival-related services. Agra's heritage tourism supports guiding, hotels, restaurants, transport and handicrafts. Lucknow's cultural and culinary identity can support food businesses, shopping, heritage interpretation and crafts. Prayagraj's

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Page No: 2903 - 2909

pilgrimage and major religious gatherings can create concentrated demand for transport, accommodation, food and event services. These examples describe plausible economic channels rather than measured income totals. Comparable data on visitor spending, business costs, wages and local procurement are not available for every destination in the source material. It is therefore not possible to rank the seven destinations by income generated or calculate a reliable tourism income multiplier.

9. Destination-Wise Comparative Analysis

Reported destination figures show that Ayodhya experienced the largest increase among locations for which paired 2023–24 figures are presented. Varanasi and Mathura also recorded increases, while Prayagraj's reported annual figure changed only modestly. These patterns support destination-specific planning rather than a uniform strategy based only on statewide totals. Agra remains an important international heritage destination. The source paper reports that the Taj Mahal received 6.26 million domestic and 0.645 million foreign visitors in FY 2024–25 among centrally protected ticketed monuments. This is a monument-specific indicator and should not be directly compared with whole-city footfall. Lucknow and Vrindavan are included in the qualitative discussion because the source paper does not provide a consistent paired 2023–24 series for all seven destinations in one table. As shown in Figure 3 Reported footfall in selected destinations, 2023–2024, Table 1 Tourism indicators for Uttar Pradesh, 2023–2024, Table 2 Destination footfall, 2023–2024.

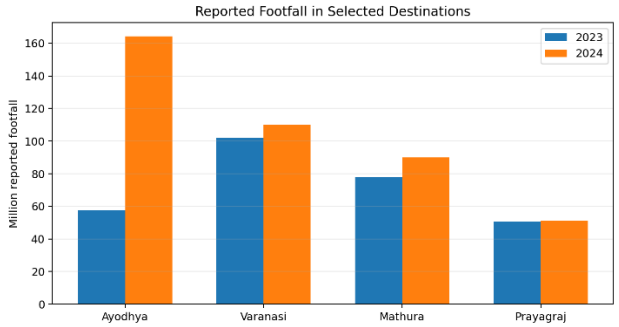


Figure 3 Reported footfall in selected destinations, 2023–2024

Table 1 Tourism indicators for Uttar Pradesh, 2023–2024

Indicator	2023	2024	Approx. change
Domestic visits	478.53m	646.81 m	+35.2%
Foreign visits	1.60 m	2.27m	+41.7%
Total footfall	480.13m	649.08 m	+35.2%

Table 2 Destination footfall, 2023–2024

Destination	2023 (m)	2024 (m)	Approx. change
Ayodhya	57.57	164.42	+185.6%
Varanasi	101.87	110.10	+8.1%
Mathura	77.93	90.08	+15.6%
Prayagraj	50.67	51.26	+1.2%

10. Findings and Discussion

First, reported visitor activity in Uttar Pradesh expanded substantially between 2023 and 2024. Second, the selected destinations show different patterns, with an exceptional increase in Ayodhya and increases in Varanasi and Mathura. Third, tourism may affect a broad range of service activities, especially retail, transport, accommodation and food services. Fourth, the extent to which visitor spending becomes local income depends on ownership, local procurement, wage quality and the strength of local supply chains. Fifth, the available figures do not establish the exact number of jobs created by tourism in each destination, average wages among tourism workers or income retained locally. Sixth, rapid visitor growth can create opportunities as well as costs. Congestion, waste, pressure on basic services, informal work and seasonality can reduce net benefits if not managed. Findings support local value creation and better measurement rather than assuming that every rise in footfall produces a proportional increase in household income.

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10.1. Factors That Determine Local Economic Retention

The local economic value of tourism depends not only on the number of visitors but also on the share of expenditure that remains in the destination. When visitors purchase locally produced food, handicrafts, transport services and cultural experiences from locally owned businesses, a larger part of their spending can circulate among residents. By contrast, purchases from outside suppliers, externally owned businesses and online intermediaries may reduce the share retained by the local economy. This does not mean external investment is undesirable; rather, destination policy should help local firms participate in the supply chains created by tourism. Length of stay is another important factor. A visitor who stays overnight may spend on accommodation, meals, local transport and evening activities, while a short stop may generate a narrower set of transactions. Destination planning can encourage longer stays through well-connected itineraries, reliable information, clean public spaces, accessible transport and authentic local experiences. These measures should be designed around visitor needs and the carrying capacity of heritage and religious sites, not simply to maximise footfall. The structure of employment also matters. Tourism can create entry-level opportunities for young people and workers with varied educational backgrounds, but many activities are seasonal, informal or vulnerable to sudden changes in demand. Training, transparent rates, safer workplaces, digital payments and access to social protection can improve the quality of work. Local procurement and small-business development can spread benefits beyond the main attractions to neighbourhood shops, farmers, craft producers and service providers.

10.2. Destination-Specific Opportunities and Risks

Ayodhya and Varanasi have strong pilgrimage and cultural tourism profiles. Their visitor economies can support lodging, food, local transport, guiding, religious products, crafts and cultural interpretation. Rapid growth, however, can put pressure on traffic, sanitation, public space and housing. Planning should therefore combine business opportunities with crowd management, pedestrian safety, waste services and protection of the cultural environment. Small businesses need clear information on licensing, digital discovery and opportunities to supply larger establishments.

Prayagraj has opportunities associated with pilgrimage, riverfront activities, religious gatherings and major events. Demand can rise sharply during event periods and fall during quieter months, so temporary employment should be complemented by year-round cultural, educational and heritage itineraries where feasible. Event planning should also consider fair access for local vendors, safe working conditions and the management of temporary facilities and waste.

Agra's heritage tourism can create demand for guides, accommodation, restaurants, transport, handicrafts and visitor services. Stronger connections between major monuments and locally owned craft, food and cultural businesses may increase the amount of expenditure retained in the city. Lucknow can draw on its heritage, cuisine, crafts, shopping and cultural identity to support diverse small enterprises. Mathura and Vrindavan can benefit from pilgrimage-related services and local products, while requiring careful management of congestion, cleanliness, water use and the visitor experience.

These destination profiles are qualitative interpretations of their tourism characteristics, not measured rankings of employment or household income. The available secondary figures do not provide a consistent basis for claiming that one destination creates more jobs per visitor than another. Future comparisons should use common indicators such as average length of stay, visitor expenditure, tourism enterprise counts, employment by activity, wages and the proportion of purchases made from local suppliers.

10.3. Monitoring Indicators for Better Evidence

A practical monitoring framework should distinguish inputs, tourism activity, economic outcomes and sustainability outcomes. Inputs include public investment, training and

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October 2026
Page No: 2903 - 2909

infrastructure. Activity indicators include visits, overnight stays, average length of stay and seasonality. Economic outcomes include the number and type of tourism enterprises, paid jobs, self-employment, wages, women- and youth-owned businesses, local procurement and estimated visitor spending. Sustainability indicators can include waste collection, public-transport use, water pressure, crowding and conservation condition. Data should be disaggregated by district, destination, gender, age group, employment status and season wherever feasible, while protecting privacy and avoiding double counting. A regular dashboard would make it easier for policymakers to identify whether visitor growth is accompanied by improvements in local livelihoods. The dashboard should publish definitions and methods alongside the numbers so that changes across years can be interpreted consistently.

11. Policy Recommendations

1. Strengthen local enterprise through accessible credit, business mentoring and digital-market support for homestays, food businesses, guides, transport operators, artisans and small retailers.
2. Expand destination-specific training in hospitality, customer service, languages, digital booking, guiding, safety, hygiene and heritage interpretation, with practical placement opportunities.
3. Strengthen local supply chains by connecting hotels, restaurants and event organisers with local farmers, food producers, craftspeople and MSMEs.
4. Improve job quality by promoting fair payment, safe working conditions, transparent work arrangements, social-security access and progression from seasonal work to more stable employment.
5. Support women and youth entrepreneurship through tailored training, finance and market access, while addressing barriers such as safety, mobility and access to business networks.
6. Encourage longer and higher-value visits through linked itineraries, heritage walks, craft demonstrations, local food experiences and cultural programmes, while managing crowding at sensitive sites.
7. Combine tourism expansion with sanitation, solid-waste systems, pedestrian access, public transport, water management, visitor-flow planning and heritage conservation.
8. Establish a tourism economic dashboard that tracks visitor counts, average stay, visitor spending, enterprise numbers, local procurement, job type, wages, gender and youth participation, and seasonality.

12. Limitations and Future Research

The study uses secondary data only. Tourism-specific employment and income series are limited at destination level. Visitor counts may include repeat visits and should not automatically be treated as unique tourists. Statewide services-employment data cover many activities unrelated to tourism. Destination figures may use different reporting methods, and the study does not estimate causal effects. Future research could build comparable district-level time series and combine visitor expenditure data with enterprise and labour statistics. Useful topics include job quality, women's and youth-owned enterprises, seasonality, local procurement, income leakage and differences between pilgrimage and heritage destinations. Where suitable data become available, transparent input-output or tourism satellite-account methods could estimate indirect and induced effects more rigorously. As shown in Table 3 Selected services-employment shares in Uttar Pradesh, 2023–24.

Table 3 Selected services-employment shares in Uttar Pradesh, 2023–24

Service sub-sector	Share
Wholesale and retail trade	44.0%
Transportation and storage	13.5%
Education	9.7%
Other services	6.8%
Accommodation and food services	6.3%

Source: NITI Aayog (2025), based on PLFS 2023–

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Page No: 2903 - 2909

24. Broad services-sector shares, not tourism-only employment.

Conclusion

Tourism is an important potential driver of local economic activity in Uttar Pradesh because visitors create demand across accommodation, food, transport, retail, guiding, cultural experiences and local products. Official indicators demonstrate the scale of tourism activity and rapid growth in several destinations, particularly Ayodhya, with increases also reported in Varanasi and Mathura. However, visitor growth should not be equated automatically with measured growth in jobs or household income. Broad-based benefits depend on the share of spending retained locally, the participation of small enterprises, workforce skills, employment conditions, local supply chains and sustainable destination management. A more inclusive strategy should measure not only how many people visit, but also who earns from tourism, what kinds of jobs are created and how much value remains in local communities.

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