



REVIEW ARTICLE

ECONOMICS OF TOURISM IN MIZORAM: A SWOT ANALYSIS

*¹Dr. K. Adak and ²Dr. PradyutGuha

¹Associate Professor, Govt. Hrangbana College, P.O. Chanmari, Aizawl, Mizoram, 796007, India

²Assistant Professor, Sikkim University, India

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ABSTRACT

One of the leading sectors in current global business is tourism, responsible for significant proportion of world production, trade, employment and investment, helping inflow of foreign exchange and FDI. Although India's share in global tourism remained meager till early part of last decade however the sector has taken rapid strides in recent years by attracting national and international visitors in number, contributing towards countries GDP, employment generation, etc. The geographical diversity in terms of climate, culture, flora and fauna, nature (snow capped mountain ranges to desert, plain, rainforests, hills and plateaus, white water rivers, wild life, historical temples and monuments and its colorful people and culture) across various regions are amazing for attracting tourist in India. India's North East region is a virgin unexplored terrain with vast tourism potential in the form of wild life sanctuaries, holy shrines, lush green tea gardens, adventure tourism assets, diverse cultural heritage, multi faceted fairs & festivals, world famous Buddhist monasteries etc. However, the difficult terrain with transport bottlenecks, limited alternative for tourist accommodation, wayside amenities, poor law and order condition has constrained promotion of tourism in India's North East region so far. The 4th sectorial summit of N.E.C primarily addressed the issues on the problems on the way of promotion of tourism in N.E region and has taken initiative in support with Ministry of Tourism and DoNER. Mizoram is a mountainous state nestling in the southern tip of the north-east region of India. Important tourism attraction is verdant forests cover dominated by thick bamboo groves, teeming with vibrant wildlife, sheer cliffs and breath-taking waterfalls, dotted with unique landmarks of myriad folklores and picturesque villages of houses built on stilts, a land of dramatic seas of morning mists that enfold islands of hills and peaks, pleasant weather. Present study attempts to understand the influence of tourism on the GDP of the Mizoram considering different related factors, the paper will also throw some light on the growth of tourism in the state.

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INTRODUCTION

Tourism has now emerged as an important economic activity and one of the fastest growing major industries in the world and in terms of value it comes third only after Petroleum and Transport Industry. Realising the importance of Tourism in terms of economic and social activities for the country, the Government has set an agenda for the nation to give emphasis and promote tourism with the aim to create employment, increasing revenue and earn foreign exchange. Tourism is now recognized not only as an essential activity, but rather an important source of economic balance in the region making social reforms and promoting mutual understanding. Though the growth of tourism has been impressive, but India's share in total global tourist arrivals and earnings is quite insignificant. It is an accepted fact that India has tremendous potential for development of tourism. The diversity of India's natural and cultural heritages provides the basis for a wide range of tourist

products and experiences which embrace business, leisure, culture, health, adventure, spiritual, natural and many others. Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a fillip to the country's overall economic and social development. Much has been achieved by way of increasing trains and railway connectivity to important and historical tourist destinations, four lane roads connecting the tourist places minimizing unnecessary delay in the way, constructing new airfield to connect the tourist centers and saving days of journey, increasing number of air seats by accommodating bigger crafts, constructing new helipads to the tourist places for commercial fleets where road journey is next to impossible like other hilly terrains, increasing availability of accommodation by adding heritage hotels to the hotel industry and encouraging paying-guest accommodation by local people and so on. But much more remains to be done. Since tourism is a multi-dimensional activity and basically a service industry, it would be necessary that all wings of the State and Central governments, NGOs, voluntary organizations and private sector work together co-operating each other in the endeavor to

*Corresponding author: Dr. K. Adak, Associate Professor, Govt. Hrangbana College, P.O. Chanmari, Aizawl, Mizoram, 796007, India.

attain sustainable growth in tourism of India as a whole and every state in particular to become a world player in the tourist industry. In north-east Sikkim is the only state among others which is neither having air-field nor railway facilities and also infrastructure is too poor than others. Its only road connection is through Siliguri corridor in West Bengal. Still sustainable development of its economy completely depends on tourism. It is an encouraging and interesting fact to the policy making factors for other states in the region.

Source: "Tourism in Sikkim: Quest for A Self-Reliant Economy"

Tourism in Mizoram

Mizoram is predominantly a hilly state nestled deep in the North Eastern extreme corner of India squeezing between Myanmar and Bangladesh. Strategically this state is in higher position for tourism than some other states due to such type of topographical location. But Mizoram is very young state getting its statehood in 20th February, 1987 when it receive nothing in the line of development as other new states already exist. At the nascent stage it forced to take care to fulfill the basic needs of the general people and after 25 years, state is still fighting to develop its infrastructure to connect every corner and its people to provide and supply their basic needs. Obviously state government could not put their concentration for outsiders as tourist or develop infrastructure and basic amenities for them as other states have been doing. At the same time state also is in far away to add some revenue to the state economy. Mizoram is having a late start in the field of Tourism and accepted it as an important activity and as an industry in recent years for the purpose of speedy growth of the state economy. Its unique culture and tradition, the beauty of its landscape, moderate climate throughout the year and the peaceful atmosphere prevails year round offer to tourists an ideal destination. To meet the upcoming demand of these tourists, state government is trying to upgrade its basic infrastructure in this regard. In this connection, the Government of India has extended liberal financial assistance for the rapid growth of Tourism in the state. Mizoram today boasts 33 Tourist Lodges, Highway Restaurants and Tourist Resorts spreading all over the state. It encourages private players to establish star hotels and in result at least one 3 star hotel in Aizawl has come up in recent past to accommodate foreign and corporate tourists. It may be mentioned that for the promotion of tourism in Mizoram, something of a lot has been done but a miles to go to foster growth and forge ahead.

Source: '20 Years Perspective Plan for the Sustainable Development of Tourism in the State of Mizoram', (January 2003)

Rationale of this study

Unemployment is a big threat and constraint for economic development of this state. Agriculture is the main source of livelihood and revenue generation. But it is also getting slow due to non availability of cultivable lands, natural erosion due to heavy landslide, seasonality nature of agriculture, non-availability of irrigation facility etc. Such problems are endogenous in nature to agriculture in the state. Realising these problems, state government introduced NLUP (New Land Use Policy) practically from 1990-91. Such type of policy can help

the people those are belonging to below poverty line (BPL) which never boost and bring growth in revenue generation and it is primary in nature. Since state emerged as 2nd most literate state after Kerala, obviously educated unemployment is giving huge stress towards the low economic growth of the state. For these twin problems as unemployment and down trend of economic growth, planner has taken some steps in the line of entrepreneurship in different fields which are having prospects and sustainability in the state. There is a need for development of secondary sector for sustainable development but large scale industries are disinterested in locating their plants in Mizoram due to various constraints (e.g. infrastructure, finance, restrictions imposed by local authority, lack of technical experts, topographical location etc.). So, an alternative to such problem would be the development of Tourism which is multidimensional in nature. The present study has made an attempt to understand why Tourism sector is not prospering to that level for what Central Government is giving huge push by injecting financial support in the sector.

Objectives

The current study has been undertaken with following objectives in mind:

- (i) To study the growth of tourist visitor to Mizoram according to their place of origin.
- (ii) To understand the growth rate of different macro variables (revenue from tourism, capital expenditure and revenue expenditure)
- (iii) To study the influence of macro variables on GDP of the state.

Methodology

Present study is based on macro data collected from the Directorate of Tourism, Govt. of Mizoram and Directorate of Economics and Statistics, Government of Mizoram. The period of study is 2002-2012. Non availability of authentic data is the reason for selection of the period. The macro level collected information has been analysed using simple econometric tool such as compound annual growth rate. A simple multiple regression analysis has been done for understanding how the GDP of Mizoram is being influenced by revenue earned from tourism, capital expenditure and revenue expenditure during the period of study.

Empirical Analysis

The estimated growth of tourist visitor in Mizoram is presented in Table 1.1.

Table 1.1. Growth of Tourist in Mizoram during (2002-03 till October, 2012)

Variables	Compound Annual Growth Rate ¹ (%)
Indian Tourist	3.7
Foreign Tourist	6.9
Total Tourist	5.1

Source: Self Estimation based on the figures of Directorate of Tourism, Govt. of Mizoram

¹ CAGR: Estimated with $Y_t = Y_0(1 + r)^t e^{ut}$ (Gujarati et al., 2007)

It can be observed from above table that the Indian tourist has registered a growth of 3.7 per cent per annum during the study period where as the growth of foreign tourist was 6.9 per cent. The growth of total number of tourist visitor to Mizoram during the study period was 5.1 per cent. Thus it can be understand that foreign tourist has registered relatively higher growth during the period of study compared with Indian and total number tourist visitor to Mizoram. The estimated growth rate of different macro variables has been presented in Table 1.2

Table 1.2. Growth of Macro Variables during (2002-03 till October, 2012)

Variables	CAGR (%)
GDP	6.4
Revenue Collected from Tourism	15.59
Capital Expenditure	19
Revenue Expenditure	1.6

Source: Self Estimation based on: (i) Figures of Directorate of Tourism, Govt. of Mizoram

(ii) Statistical Handbook 2004, 2006, 2008

(iii) Statistical Abstract, 2009 & 2011, Govt. of Mizoram

(ii) Statistical Handbook 2004, 2006, 2008

(iii) Statistical Abstract, 2009 & 2011, Govt. of Mizoram

From the above table it can be observed that Mizoram registered 6.4 per cent growth in Gross Domestic Product (GDP) during the period study period. The growth of revenue collected from tourism during the period was 15.59 per cent. The growth of capital expenditure during the period was 19 per cent and 1.6 per cent growth being recorded for revenue expenditure. The Model fitted for understanding the influence of different macro variables on GDP of Mizoram was $GDP_t = \alpha + \beta_1 \text{Tourism Revenue}_t + \beta_2 \text{Capital Expenditure}_t + \beta_3 \text{Revenue Expenditure}_t + U_t(i)$ where, α is intercept of the regression line

β, θ, γ are the slope parameter

U_t is well behaved error term

The regression line as fitted above has been estimated by OLS (ordinary least square) has been presented in Table 1.3 as follows;

Table 1.3.

Variables	Estimated Coefficient	Standard Error
Intercept	9881.75*	2379.16
Tourism Revenue	82.19*	10.89
Capital Expenditure	0.87	0.88
Revenue Expenditure	2.91	8.43
$R^2 = 0.94$	Adjusted $R^2 = 0.91$	DW-d = 2.06

Source: Self Estimation on the basis of Figures of Directorate of Tourism, Govt. of Mizoram, Statistical Handbook 2004, 2006, 2008, Statistical Abstract, 2009 & 2011, Govt. of Mizoram

Note: * Significant at .01 per cent level, ** significant at .05 per cent level

Refer to Table 1.3 reveals that the estimated regression line fits the data well in terms of value of R^2 . About 94 per cent variation in the regression line is explained by the model and 6 per cent is by the outside factors. The intercept of the regression line has been found to be significant at .01 per cent

level. The slope coefficient of tourism revenue has been observed to be significant at .01 per cent level. Hence a unit change in revenue earned from tourism during the study period has increased the gross domestic product (GDP) of Mizoram by 82.19 per cent. Rest two slope coefficients have not been found to be significant. The DW-d value explains the presence of low auto correlation amongst the error term of different periods in the fitted model (i). Thus from the result it can be inferred that tourism revenue has significantly influenced GDP of Mizoram.

SWOT Analysis

The emerged picture of tourism potentials and related employment in the state coupled with the identification of gaps in planning, provision, positioning and marketing of tourism indicates towards the requisite interventions at macro as well as micro level. Macro interventions are related with the policies of timely planning and efficient implementation of programmes and plans outlined for the growth of tourism industry in the state resulting in growth of revenue and more related jobs. On the other hand, micro interventions are related with the facilities of interest extended or created by the state on ground level to pull the tourist. Let us now evaluate all these factors or variable by SWOT analysis.

Strengths

- Air connectivity between the nearest capitals of the neighbouring states already established between Kolkata, Imphal, Guwahati with Aizawl. Due to its hilly terrain, movement on road is very tough in Mizoram for the tourist. To solve such problem, Govt. of Mizoram introduced Helicopter service between Aizawl and the district headquarters constructing helipads in the convenient places for easy movement of the tourists and VVIPs.
- Mizoram state capital Aizawl is connected by National Highway 54 from Silchar in Assam in North. Another road is being constructed in the western side connecting Agartala, capital of Tripura via Mamit, Kanhmun and Damchara. To connect Imphal, capital of Manipur on road, another road in North East is being constructed via Ngopa.
- Number of Historical places are scattered throughout the state. Certainly tourists are having interest about these places to visit but it is tough to memories the names of these places.

These are

- SelesihSangsarihkua, Champhai District
- HlaKungpuiMual, Champhai District
- KungawrhiPuk, Champhai District
- MiluPuk, Lunglei District
- Khuangcherapuk near Reiek
- LamsialPuk near Farkawn, Champhai District
- PukzingPuk (perhaps biggest and longest cave) near Marpara, Mamit District
- TialpariPuk near Phawngpui, Lawngtlai District

- ix. MualzavataTahreuh&Chhura Chi Rawt Lung, Champhai District
- x. FiaraTui (Farkawn ram ami), Champhai District
- xi. Thasiama Seno Neihna, Champhai District
- xii. FiaraTui (Vaphaiami), Champhai District
- xiii. Tantlang, Champhai District
- xiv. LianchhiariLunglenTlang&PasaThaMual, Champhai District
- xv. ThlanRopui
- xvi. Rihdil, Myanmar
- xvii. ChhuraFa Rep, Aizawl District
- xviii. Hmuifang Park, Aizawl District
- xix. VantawngKhawhthla (Fall) near Thenzawl, Serchip District
- xx. Serkawr, Lakher Pioneer Mission HQRS, Saiha District
- xxi. ReiekTlang, Mamit District

d) Two National Park

- i. Murlen National Park (150 sq. km.), Champhai District
- ii. Phawngpui National Park (50 sq. km.), Saiha District

e) Five Wild Life Sanctuaries

- i. Dampa Wildlife Sanctuary (500 sq. km.), Mamit District
- ii. Ngenpui Sanctuary (110 sq. km.), Lawngtlai District
- iii. Khawnglung Sanctuary (35 sq. km.), Lunglei District
- iv. Lengteng Sanctuary (80sq.km.), Champhai District
- v. Tawi Sanctuary (50sq.km.), Serchip District
- vi. ThoramtlangSactuary (50sq.km.)

f) Lakes

- i. Tamdil Lake near Saitual, Aizawl District
- ii. Palak Lake near Phura in Saiha District
- iii. Rih-Dil Lake in Myanmar bordering Mizoram at Champhai

g) Adventure

- i. Trekking and Rock Climbing:
 - I. Blue Mountains (Phawngpui) in Lawngtlai District- 2157metres from sea level,
 - II. Mawmrang Hills, Champhai District
 - III. Tawi Hills, Serchhip District
 - IV. Lengteng Hills, Champhai District
- ii. Rafting:
 - I. Kolodyne River(Kaladan River or Karnafuli River),
 - II. Tlawng River
- iii. Paragliding:

Govt. of Mizoram has taken necessary steps with Central Government to develop and extend paragliding for the local and outsiders for the adventurous and brave tourist and it is an extra feather to the state tourism.

h) Energetic Educated Unemployed youths are in state folder to motivate them in Entrepreneurial activities in the line of Tourism.

Weaknesses

Tourism in Mizoram plays a very insignificant role. From its inception the Tourism Department played a minor role in the Government activities and neglected sector due to basic amenities were not fulfilled and less priority has given for the development of tourism in the State. Its main activities have been limited for the construction State Guest Houses to accommodate State Guests from within as well as outside the State. Yet the Department with its limited allocation of fund performed to the best of its ability in promoting Tourism. Some other problems can be enumerated in the following points.

a.Inner Line Permit

Each and every outsider (non-mizo) has to take Inner Line Permit from airport, Mizoram Houses or from DC offices of the state. This permit is issued only for ten days and after expiry, tourists have to approach to concern DC office for further extension. This method all the time bothered a group of tourists to redirect to other destinations.

b.Weak infrastructure facilities:

- i. Road
- ii. Telecom
- iii. Electricity
- iv. Internet Facility
- v. Bank- Core Banking and ATM facility
- vi. Online Payment through Debit/Credit card

Opportunities

Since Look East policy is in progress and Mizoram is holding a strategic position with huge natural resources with other opportunities, it can play a role towards the sustainable development in earning revenues in Tourism and can solve multiple problems. At the same time Government of India pushing state Tourism through liberal policy of funding by the Ministry of Tourism. Now we can summarise the opportunities are available in the state.

- a) A three star Hotel is already started running in the heart of Aizawl though it's Star Certificate not yet received from the recognized authority.
- b) Aero sports and Adventure Tourism is in the place to attract domestic and international tourist when test flights of Hang Para Gliders and Hot Air Balloons were successfully done in last year.
- c) Central Government has recognized and funding to organize two state festivals as ChapcharKut and ThalfavangKut, tourist can take such opportunity joining such festival and these two festivals pooling foreign tourist is in record.
- d) This Department has now in operation 33 units of Tourist Lodge, Highway Restaurants and Tourist Resorts with 177 rooms and 379 beds all over Mizoram.
- e) Reiek in Mamit District which is only 34 km and Conferences. So, corporate tourist can be attracted to conduct such type of programme in this place frequently.

- f) Eco-Tourism is now in the place to save its cultural heritage and tradition. Those travelers are of interest to experience the rural rustic life in Mother Nature can enjoy it.
- g) Central pull is encouraging to develop an International Circuit to accommodate foreign tourist in the state.

Threats

- a) Social and Cultural Heritage should be guarded. Tourism sometimes led to the destruction of the social fabric of a community as it occurred in Goa by Hippy Culture during late 60's to early 80's.
- b) Tourism sometimes leads to an adverse effect on Environment due to increased pressure on the carrying capacity of the eco-system. Increased transport and construction activities led to large scale deforestation and destabilization of natural land reforms. Increased tourist inflow led to increase in solid waste dumping and depletion of water and fuel resources. All comfortable transportation system increase air and noise pollution due to Carbon Dioxide emission which leads to acid rain, global warming and photochemical pollution.
- c) State Government is lagging behind in the line of health facilities extended to the unknown people as tourist in the State.
- d) In contrary, if the planner will not execute the annual plane in this regard in time and place, tourist inflow will decrease drastically which may lead to the double burden on the fiscal policy.
- e) State Government should encourage all public and private players in relation to tourism to come under single tourist circuit to connect and pull tourist from other North East states otherwise tourist destination will be diverted.

Outcome from SWOT

Number of weaknesses and threats are underlying for the development of any economy as these occur in the case of Mizoram. But Mizoram outnumbered all these problems by its Strengths and opportunities. It can come up to the world tourist picture if it will come under a frame work of Tourist Circuit in North East which will connect all over the world for the smooth movement of tourist from and outside the country by exposing it to the world. If all these problems can be converted into positive strength, certainly State can make an example to other states as it made in other field.

Negative sides of Tourism

Tourism is not coming up to that level which it deserve, because its root cause is lying somewhere else. As far as Mizoram state is concern, its geographical location and backwardness put it in back sit. Since, most of the villages are not well connected by at least a jeep able road, state government putting its total effort to develop its basic needs. Even state government pulled out all the State Buses to the tourist destinations putting responsibilities on the private players. Rather Transport Department is concentrating its effort for the extension of transport facilities to remotest place of the State on the service basis rather than revenue making policies. In result, State government is not ready yet to form a

Corporation for tourism as in other states it is contributing a lot to their GDP. For poverty alleviation, State government is putting its full strength to introduce and mobilize NLUP among the BPL families. So, State Government is concentrating its efforts to develop basic needs of the State and Tourism Industry is totally neglected sector among others.

Steps should be undertaken

- a) First and foremost step State should take to include itself in Tourist Circuit to promote and focus Inter-State Tourism by connecting all the State Capital and other destinations in NE. All the States in North East market their tourism product through single window system under single circuit. Single Information Centre should establish to get information for every State from any such window for their smooth movement.
- b) As Central Government is encouraging to make plan for Rope Way and Mono Rail facility, it should be executed in the earliest by which these will pull and boost tourism in the state.
- c) More Star Category Hotel should be introduced by encouraging private players to accommodate foreign tourist in smart way.
- d) A State of Art Hospital should come up to extend health facilities to tourist and to develop Health Tourism in the State.
- e) Recognised Festivals like Chapcharkut (Spring Festival), Pawl Kut (Harvest Festival) and MimKut (Maize Festival) should be observed in that level and get flashed in internet when tourist will be pulled to attend such programme.
- f) Zokhawthar in Champhai district should develop its Tourist Transition Point at per international standard to pull foreign tourist through this point. At the same time international trade will be developed through Myanmar as Look East Policy formulated.
- g) Kawrpuichhua near Tlabung in Lunglei district should make a trading point to develop and grow Indo-Bangla trade through this point. It can develop the corporate tourism in the line of Akhaura in Tripura. Tlabung and Coxbazar in Bangladesh can make and develop a tourist circuit through Kawrpuichhua point for free movement of tourist of both countries by establishing Tourist Transition Point on both sides.
- h) Tripura and Manipur states should develop their infrastructure as Mizoram State completed its own side.
- i) Lakhi and Chakhang in Saiha District should be connected by all weather roads to establish another business and Tourist Transition Point with Myanmar.
- j) Frequent Secretary level dialog between the NE States of the concern department and also dialog with neighbouring countries will pave the way to establish a Tourist Circuit in NE Region.
- k) A brand ambassador should be introduced to propagate the tourist products of the State through different media and should be floated in the website.

Conclusion

When State government is not yet ready to undertake the challenges of Tourism Development but wants GDP growth, it should take steps to increase tourist growth rate focusing to the

travelers of national and international level including her in a Single Window North East Tourist Circuit as it has supported by our analysis. If growth will come in tourist inflow, GDP also will grow where other variables affect on it very less.

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