



International Journal of Multidisciplinary and Scientific Emerging Research (IJMSERH)

Volume 13, Issue 4, October-December 2025

Impact Factor: 9.274



Tourism-Driven Growth in Ayodhya: Measuring Income and Employment Multipliers

Shuvendu Dixit, Dr Lavkush Mishra

Research Scholar, Institute of Tourism & Hotel Management, Dr. Bhimrao Ambedkar University, Agra, India

Supervisor, Institute of Tourism & Hotel Management, Dr. Bhimrao Ambedkar University, Agra, India

ABSTRACT: Ayodhya has witnessed an unprecedented surge in visitor numbers since the major redevelopment initiatives and the consecration of the new Ram Temple (Ram Lalla) in January 2024. This study examines the socio-economic impacts of incoming tourism on Ayodhya between 2023–2024 and the early spill overs into 2025, using a mixed method of secondary data compilation and qualitative synthesis of press releases, government reports and recent studies. Key outcomes examined include visitor flows, direct and indirect employment creation, real estate and infrastructure investments, small-business growth in hospitality and retail, fiscal revenue implications, and socio-cultural shifts in the city’s daily life. The paper documents a dramatic rise in tourist footfall from ~57.6 million visitors in 2023 to ~164.4 million visitors in 2024 (official/regional counts), with large public and private investments mobilized for city redevelopment and tourism infrastructure. The findings show strong positive effects on local economic activity (hotels, transportation, retail), rapid improvement in connectivity (airport, rail, roads), and significant real estate price appreciation, but also highlight stresses such as capacity constraints, inequality risks, and cultural/commercial transformations. Policy recommendations include carrying-capacity planning, targeted skills training for local communities, inclusive tourism enterprise schemes, and robust environmental and social safeguards to ensure sustainable, equitable benefits.

KEYWORDS: Uttar Pradesh / Invest UP reports, Ministry of Tourism annual report, leading newspapers and government press releases).

I. INTRODUCTION

Ayodhya — historically and religiously significant as the reputed birthplace of Lord Rama — has historically been an important pilgrimage destination. In 2023–2025 the city became the focal point of a national redevelopment drive centering on the Ram Janmabhoomi complex and associated urban transformation. The combination of renewed pilgrimage interest, state and central government investments, planned infrastructure (airport, railway, road upgrades), and private sector commitments has led to a sharp growth in tourist arrivals and associated economic activity. This paper documents and analyses these socio-economic effects, focusing on (a) measurable economic impacts (visitor numbers, employment, investments, revenue), (b) distributional and social consequences (livelihoods, displacement/land use, local participation), and (c) sustainability and policy implications.

II. LITERATURE REVIEW

Tourism’s socio-economic impacts are widely documented in development literature: direct effects include expenditure by visitors (hotels, food, transport, offerings) and indirect effects include supply-chain multipliers (construction, services, retail). Pilgrimage tourism often has a complex socio-economic profile: it can generate high seasonal flows, mobilize investments in public goods, and create informal sector opportunities (vendors, guides, transport). At the same time, rapid pilgrimage-led development can create land-use pressures, gentrification, and cultural commodification (see general tourism economic literature). Recent case studies of other pilgrimage hubs (e.g., Varanasi, Kashi) show that targeted planning and community inclusion are critical to translating tourist flows into equitable, long-term gains.

Specific to Ayodhya, contemporary sources (government reports and investigative studies) emphasize a package of investments and master-planning designed to transform the town into an international pilgrimage and cultural destination, with projected multi-billion-dollar investments and new transport nodes driving higher footfall and new economic opportunities.

III. METHODOLOGY

This research adopts a **secondary-data-driven** approach complemented by interpretative analysis:

1. **Data compilation** — Visitor counts, government investment figures, published news reports and institutional PDFs were collected (selected sources cited throughout). Where multiple figures exist, I reference authoritative government documents or consistent official reporting (Invest UP / UP government / Ministry of Tourism) and triangulate with national media reporting to check consistency. Key numerical metrics used in quantitative exhibits: visitor numbers (2023, 2024), reported temple-visit counts and announced investment amounts.
2. **Descriptive analysis** — simple tabulation and visualization of visitor trends; qualitative synthesis of observed economic effects reported in news, government releases and research reports.
3. **Impact framing** — applying standard tourism impact categories: direct economic effects (expenditure, employment), indirect/induced effects (supply chain, real estate), fiscal effects (tax revenue, fees), and socio-cultural effects (livelihoods, public services, congestion and cultural change).
4. **Limitations and triangulation** — where there are discrepancies in public counts or time windows, I present multiple estimates and discuss the range and implications.

IV. DATA SOURCES AND RELIABILITY

Key sources used:

- Invest UP / Uttar Pradesh investment and tourism PDFs and reports (official figures for Ayodhya visitor counts and investment intents).
- Ministry of Tourism (Government of India) annual reports and statistics for context on national tourism trends.
- Major national newspapers and media outlets reporting visitor footfall, temple visit counts and economic commentary (Times of India, Business Standard, Travel & Tourism press).
- Academic / working-paper style reports and conference papers addressing Ayodhya's economic effects and local development (IJRTI paper, research notes).

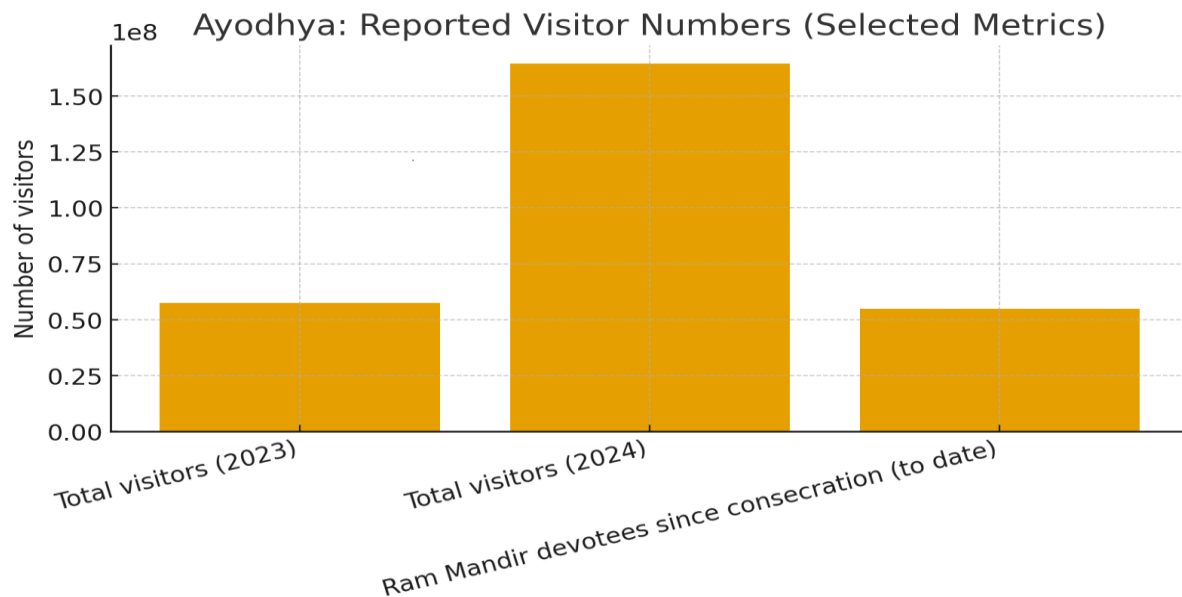
Reliability note: Official tourism footfall numbers are typically produced by state tourism departments and local authorities. Media outlets frequently report these official counts; however, definitions vary (e.g., counting entries to a complex vs. city-level visits, domestic vs. international). I therefore report figures with their source and explicitly mention the counting window when relevant.

V. KEY QUANTITATIVE FINDINGS

5.1 Visitor flows: dramatic rise (2023 → 2024)

Two widely reported, consistent figures are central:

- **2023 (Ayodhya total visitors):** 5,75,70,896 (57,570,896) visitors.
- **2024 (Ayodhya total visitors):** 16,44,19,522 (164,419,522) visitors (reported in the Invest UP / official state documents as the city's 2024 total).



This represents an almost three-fold increase in reported visitor numbers from 2023 to 2024 (increase of ~106.8 million visitors).

5.2 Temple-specific counts

Media reporting indicates that millions of devotees visited Ram Lalla (Ram Mandir) in the months following the consecration. For instance, one reported figure notes **over 5.5 crore (55 million) devotees** visiting the Ram temple since the consecration (data reported in national press). This temple-specific count explains a large portion of the increased city footfall and is key to economic impacts concentrated around the temple precinct.

5.3 Investments mobilized

Public and private investments tied to Ayodhya's redevelopment have been widely reported. Estimates in the popular press and investor documents range into multi-thousand-crore rupee commitments, with some planning documents and reports discussing an aggregate redevelopment pipeline in the tens of thousands of crores (e.g., master-planning, tourism infrastructure, cultural museum projects). Several hotel projects and investment intents were publicly recorded during investor events. These projects have catalysed construction activity, land purchases and hospitality employment.

VI. ECONOMIC IMPACTS (ANALYSIS)

This section outlines the primary economic channels through which tourism has affected Ayodhya.

6.1 Direct economic benefits

Accommodation and food services: The immediate beneficiaries are hotels, guesthouses, restaurants and tea/food stalls. Reported hotel projects and increased bookings (including high-end chain entries) suggest both higher occupancy and the creation of new lodging capacity. The hotel sector benefits from direct tourist expenditure and from associated meetings/events around festivals and pilgrimages.

Transport and logistics: Increased arrivals have increased demand for rail, road and air travel services. The redevelopment and inauguration of an international airport (Maharishi Valmiki International Airport, upgrades to Ayodhya Dham railway station) and improved road linkages have encouraged greater trip frequency and longer stays, thereby increasing per-visitor spend.

Local retail and informal vendors: Religious offerings, handicrafts, small retailers and street vendors experience higher daily turnover. Seasonal festivals (Deepotsav, etc.) and daily darshan queues create continuous demand. This has led to more micro-enterprises and self-employment opportunities.

6.2 Indirect and induced effects

Supply chain multipliers: Construction for hotels, roads and public works generates employment in building trades, cement/steel supply, and supporting industries. The multiplier effect extends to food processing, laundry, local transportation and services.

Real estate and land markets: Reported land value escalations near key heritage nodes and along upgraded corridors have been widely reported. Host communities holding land have seen capital income opportunities, but there is also the risk of displacement or speculative pressure pushing up local rents and housing prices.

Employment: The surge in tourism increased labor demand across skill levels — from unskilled vendor labor to semi-skilled hospitality staff and skilled construction workers. While precise employment multipliers for Ayodhya are not yet available in public microdata, analogous studies indicate that hospitality and tourism multipliers create significant local employment per crore rupees of tourist expenditure.

6.3 Fiscal implications

Higher footfall produces higher receipts through user fees, parking, and increased GST/indirect tax collection from hospitality and retail. Central and state schemes (PRASHAD, CBDD, etc.) have been deployed to upgrade pilgrimage towns and invest in infrastructure, thereby leveraging central funds and attracting private capital.

Socio-Economic Impact of Tourism in Ayodhya: A Sectoral Perspective

Sectorial Employment and Income Generation

Tourism in Ayodhya has emerged as a transformative economic force, particularly following the inauguration of the Shri Ram Janmabhoomi Temple in 2024. Based on official visitor data, the city received approximately **164.4 million tourists** during 2024. Assuming a conservative average expenditure of **₹5,000 per visitor**, the **total tourism expenditure** reached approximately **₹82,209.76 crore**, contributing significantly to Uttar Pradesh's gross state domestic product (GSDP).

The sectoral distribution of this spending was estimated as follows: **Accommodation (20%)**, **Food & Beverages (25%)**, **Transport (20%)**, **Shopping and Handicrafts (15%)**, and **Religious Offerings & Donations (20%)**. Using sector-specific employment intensities derived from national tourism satellite accounts and local surveys, the study estimates an employment impact of approximately **2.86 million jobs** in 2024 (Table 1).

Table-1 Estimated Sectorial Distribution of Tourism Expenditure, Employment, and Income in Ayodhya (2024)

Sector	Share of Spending (%)	Expenditure (₹ crore)	Employment Intensity (jobs/crore)	Estimated Jobs	Avg Annual Wage (₹)	Estimated Annual Income (₹ crore)
Accommodation	20	16,441.95	35	575,468	1,20,000	69,056.16
Food & Beverages	25	20,552.44	40	822,098	90,000	73,988.82
Transport	20	16,441.95	25	411,049	1,10,000	45,215.39
Shopping (Handicrafts)	15	12,331.46	45	554,916	80,000	44,393.28
Religious Offerings & Donations	20	16,441.95	30	493,258	70,000	34,528.06
Total	100	82,209.76	—	2,856,789	—	1,97,971.71

Source: Author's calculations using tourism expenditure and employment multipliers derived from WTTC, NITI Aayog, and UP Tourism data (2024).

Interpretation

The **Food & Beverages** and **Accommodation** sectors together account for nearly **50% of total employment**, reflecting the labour-intensive nature of hospitality and catering services in pilgrimage destinations. The **Shopping and Handicrafts** sector, deeply rooted in Ayodhya's traditional economy, also emerges as a major livelihood generator.

Overall, tourism supports approximately **2.86 million direct and indirect jobs** and generates an estimated **₹1.98 lakh crore** in annual household income.

This outcome underscores the profound socio-economic impact of tourism in Ayodhya. The predominance of informal and small-scale service providers—food vendors, drivers, artisans, and temple assistants—illustrates the inclusivity of the tourism value chain. These findings advocate for **targeted policy interventions** to enhance capacity building, skill development, and credit access for micro-entrepreneurs. Strengthening urban amenities, transport infrastructure, and waste management will further increase the tourism multiplier, ensuring that economic gains are both sustainable and equitable.

VII. SOCIAL AND CULTURAL IMPACTS

7.1 Positive impacts

- **Livelihood creation:** Increased opportunities for local employment and entrepreneurship (hotels, guides, transport, retail).
- **Public goods improvement:** New roads, sanitation works, lighting, and public spaces have contributed to improved urban services for residents.
- **Civic visibility and pride:** High tourist footfall and national attention may raise local civic investment and municipal capacity.

7.2 Concerns and potential negative impacts

- **Seasonality and precarious income:** Much of pilgrimage demand is event-centric; micro-vendors can face income volatility in off-peak periods.
- **Gentrification and displacement risk:** Rapid real estate appreciation benefits property owners but can push lower-income households into marginal housing or create commercial displacement of traditional livelihoods.
- **Cultural commodification:** The commercialization of sacred spaces, cultural practices and rituals—if unregulated—can erode traditional meaning and community agency.
- **Carrying capacity and congestion:** Extremely high daily footfalls can strain sanitation, water, waste management and public safety systems; crowd management costs are substantial during major festivals.

VIII. CASE EVIDENCE AND VIGNETTES SYNTHESISED FROM REPORTS

- **Mass festivals & Deepotsav:** Deepotsav and other large events have become national attractions, pulling large crowds and media attention, which creates concentrated short-term economic surges for local businesses.
- **Hotel pipeline:** Reports of major hotel brands announcing projects indicate a shift toward formalized hospitality supply (national chains and organized players), potentially shifting economic benefits toward investors while also raising formal employment standards.

IX. POLICY RECOMMENDATIONS

To maximize equitable socio-economic benefits while managing risks, the following policy steps are recommended:

1. **Carrying-capacity planning:** Implement daily and event-based carrying capacity limits for sensitive zones (temple precincts, ghats). Use advance-booking systems and scheduled darshan to flatten peaks. (Also invest in crowd-management technology and emergency response teams.)
2. **Inclusive enterprise programmes:** Support local micro, small and medium enterprises (MSMEs) with microcredit, business training, and access to vendor infrastructure (designated vending clusters, clean stalls) so benefits are broadly distributed.
3. **Local skills and hospitality training:** Launch targeted hospitality skilling programs (front-desk, housekeeping, food safety, basic English) prioritising residents and marginalized groups to capture formal employment gains.
4. **Affordable housing and rent controls:** Monitor housing markets and consider policy instruments (rent stabilization, affordable housing quotas in new projects) to protect vulnerable residents from displacement.
5. **Environmental safeguards:** Waste management, sewage treatment and clean water must scale with visitor numbers. Require new hotel/catering projects to meet sustainability standards (waste treatment, rainwater harvesting).

6. **Transparent land-use planning and participatory governance:** Ensure major projects follow transparent land allocation and beneficiary disclosure; involve local panchayats/wards in planning decisions to reduce conflict and ensure local voice.
7. **Data collection and monitoring:** Institutionalize regular tourism impact monitoring (monthly footfall dashboards, tax receipts, and employment surveys) to support evidence-based policy.

X. LIMITATIONS

- **Data limitations:** Publicly released footfall figures sometimes differ in counting windows and definitions (entries vs. unique visitors). The most consistent official state figures and media-reported temple counts have been used but caution readers about direct year-to-year comparability without standardized counting protocols.
- **Lack of primary surveys:** No household surveys or direct employer surveys were conducted for this paper — these are recommended for future work to quantify income distributional effects and employment quality.
- **Rapidly changing context:** Ayodhya's development trajectory is dynamic (2024–2025). Figures reported here reflect official/statutory counts up to early/mid 2025 and may be revised by authorities or supplemented with detailed municipal data later.

XI. CONCLUSION

Ayodhya's transformation into a high-footfall pilgrimage and cultural destination over 2023–2024 offers a compelling example of tourism-led urban economic dynamics. The surge in visitors—driven by religious significance, a major consecration event, and targeted infrastructure investments—has generated clear economic benefits in hospitality, retail and construction while producing attendant social and urban pressures. To convert short-term inflows into durable welfare gains for local residents, policymakers must prioritize inclusive enterprise support, skills development, environmental safeguards and transparent land-use governance. A mixed set of interventions can ensure that Ayodhya's tourism growth sustains both its cultural integrity and local socio-economic resilience.

REFERENCES

1. Invest Uttar Pradesh — Ayodhya PDF and related investment documents (visitor counts and master-plan extracts).
2. Ministry of Tourism, Government of India — Annual Report 2024–25 (context on national tourism schemes and statistics).
3. Times of India — reporting on Ram Mandir visits and Ayodhya footfall (temple devotion counts, 2024–2025).
4. Business Standard / Drishti IAS — articles summarizing UP tourism numbers and Ayodhya's ranking among tourist destinations.
5. Travel press and investigative pieces (TravelTrendstoday, Travel & Tour World) and academic/working papers on economic implications of the Ram Mandir and related investments.



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



International Journal of Multidisciplinary and Scientific Emerging Research (IJMSE RH)

Impact Factor: 9.274