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Striking a Balance Between Environmental Preservation and Economic Growth in Tourism Destinations

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Abstract

The growth of tourism is an important contributor to economic growth; however, due to the rate of growth in this industry, various aspects of environmental and community structures are being overwhelmed by tourism. Traditional studies have focused on the quantity of tourists or treated the quantity of tourism as a passive result when attempting to examine the relationship between tourism, economic growth and environmental quality and social variables. This study synthesizes current literature to examine the complex, dynamic relationship between tourism and its contribution to economic growth; tourism’s connection with environmental quality; and tourism’s connection with the social aspects of our communities. Among the major conclusions from this synthesis of current literature are that there are irreversible tipping points in ecological systems; that the type and the number of tourists received in an area are both critical to that area’s tourism success; and that environmental quality is one of the key indicators of economic growth. Other important considerations are energy structure, institutional capacity, climate risk, social carrying capacity, digitization, and equity of environmental costs. The findings provide evidence that integrated, adaptable, and sustainable tourism policies are required to achieve a balanced approach to economic benefits, environmental conservation and social well-being and apply a descriptive, secondary method of research to produce this conclusion. The results will provide useful information for tourist planners and policymakers in developing sustainable, resilient, and comRTV

Keywords: Tourism Destinations, Environmental Preservation, Economic Growth, Sustainable Tourism, Eco-Tourism.

Introduction

Tourism, one of the fastest-growing industries worldwide, has had a huge impact on the growth of the world economy. Many tourist destinations are characterised by natural beauty, diverse ecosystems, coastlines, woodlands and cultural heritage; these attractions help create revenues, jobs, Foreign Exchange earnings and improved infrastructure in developing and emerging economies. However,

unchecked growth in tourism has led to significant issues in terms of the environment, particularly in terms of environmental degradation due to overcrowding, pollution, overconsumption, and exploitation of resources at many tourist destinations. These issues illustrate the importance of establishing a balance between economic growth and environmental sustainability. Consequently, in current times there is a great emphasis within the political industry, the tourism planning industry and the research community on developing sustainable tourism.

Need for the Study

This research illustrates that, while tourism can create new economic opportunities, uncontrolled tourism development threatens ecosystems. Rather than treating environmental quality as an incidental by-product of growth, this research treats it as an integral to achieving economic benefit from both increased investor confidence and competitiveness for destinations, as well as creating a positive impact on long-term tourism-related revenue. Utilizing the concept of ecological tipping points, this research supports the idea that uncontrolled growth of tourism will potentially jeopardise future economic benefits by destroying critical natural infrastructure.

The research results support sustainability through a transition from volume-driven development to a quality-driven approach, promoting responsible use of resources and energy, and strengthening tourism's governing bodies. The research addresses social sustainability through identification of climate-related threats to the demand for tourism and emphasises that the health and social capacity of a community is necessary to maintain the long-term viability of a destination. As a result, this research lays the foundation for developing resilient, inclusive, and sustainable tourism economic development practices that preserve environmental quality while supporting academic research.

Key Definitions

1. Environment Preservation

John Muir (Naturalist & Sierra Club Founder): One of the most influential preservationist authors, Muir viewed nature as having intrinsic spiritual and aesthetic value. He defined preservation as the complete protection of land from commercial exploitation, famously advocating for wilderness to be left entirely "unimpaired" for its own sake rather than for human utility.

2. Economic Growth

Amartya Sen: Defined economic growth as "the process of expanding the real incomes and opportunities of people," shifting focus toward the human impact and standard of living.

3. Tourism Destinations

UN Tourism (formerly UNWTO): Defines a destination as a "physical space with or without administrative and/or analytical boundaries in which a visitor can spend an overnight". It is the basic unit of analysis in tourism, representing a cluster of products, services, activities, and experiences along the tourism value chain.

Review of Literature

Tourism and Economic Growth

It has long been acknowledged that tourism significantly boosts economic growth, especially in developing and tourism-dependent economies. According to the tourist-led growth concept, the growth of the tourism industry enhances economic performance by creating jobs, increasing foreign exchange earnings, and promoting the development of infrastructure (Balaguer & Cantavella-Jordá, 2002; Lee & Chang, 2008). Tourism increases overall economic output by creating multiplier effects in allied industries, including retail, construction, hospitality, and transportation. Although a number of studies highlight the existence of bidirectional causality, the majority of empirical

data points to a positive association between tourism receipts and economic growth. By enhancing infrastructure, service quality, and destination accessibility, monetary expansion can also support the rise of tourism (Oh, 2005). This interdependence emphasises how tourism both promotes and benefits economic growth.

Environmental Impacts of Tourism Growth

Tourism development improves the economy but it also negatively affects the environment due to the substantial amount of environmental degradation that is created by tourism. Many areas that are visited frequently by many tourists experience an increase in energy consumption, greenhouse gas emissions, and waste and water usage as a direct result of tourism-related activities (Gössling et al., 2002; Becken and Simmons, 2002).

Transportation, especially air travel in the tourism industry and lodging sector, generates a great deal of greenhouse gases.

There is an increase of “over tourism” in popular tourist destinations which is causing much greater harm to the environment, causing a decrease in biodiversity, degradation of ecosystems, and destruction of cultural and natural heritage sites (Dodds & Butler, 2019). These constraints of nature on tourism-based economies could also hurt the attractiveness of the overall destination.

Economic Growth and Environmental Quality

The Environmental Kuznets Curve (EKC) hypothesis has been used extensively to study the connection between economic growth and environmental quality. According to the EKC, there is an inverse U-shaped link between income levels and environmental degradation, meaning that pollution rises in the early phases of growth and falls once a particular income threshold is reached (Grossman&Krueger,1995). Early stages of tourism development frequently worsen environmental deterioration because of inadequate regulatory frameworks and rapid infrastructure expansion. While some research supports the validity of EKC in economies that rely on tourism (Dogan & Aslan, 2017), others contend that environmental progress requires technical innovation, strong governance, and environmental consciousness (Stern, 2004).

Tourism, Environmental Quality and Long-Term Sustainability

The dynamic relationship between tourism development and environmental quality is highlighted in recent literature. Degradation of the environment might make a place less appealing, which will hurt future economic growth and visitor demand (Katircioglu, 2014). This feedback mechanism raises the possibility that unchecked tourism growth could eventually become economically self-limiting. According to theoretical research, if environmental preservation is disregarded, tourism-dependent economies may follow unsustainable development routes (Ouattara, Pérez-Barahona, & Strobl). These results emphasise how crucial it is to incorporate environmental factors into economic strategy and tourism planning.

Objective of the Study

- To study the environmental preservation and economic growth in tourism.
- To identify the affects both environmental preservation and economic growth in tourist areas.
- To suggest the sustainable tourism policies might help strike a balance between the environmental preservation and economic growth in tourism.

Methodology

The study is mainly based on descriptive in nature. The researcher has collected in the previous studies in relation to environmental preservation and economic growth in tourism areas in India and confined the affected the environment and economic growth.

Tourism-Led Economic Growth

The theory of tourism-led growth proposes that tourism industry's development creates employment, income and investment in infrastructure within the community where it develops. Many researchers have found in their studies of both developed and developing countries that there is typically a strong positive relationship between the amount of money tourists spend and the growth of the economy. However, tourism development that relies on overuse and over-exploitation of natural resources and the lax enforcement of environmental laws may not be a sustainable process. Immediate financial benefits may create an economic lure to develop new tourist attractions; however, this can lead to a loss of economic viability over time due to the increased environmental degradation associated with this type of development.

India's Inbound Tourism

Foreign tourist arrivals (FTAs) in India increased from 1.28 million in 1981 to 1.68 million in 1991, 2.54 million in 2001, 6.31 million in 2011, and 10.93 million in 2019. However, FTAs significantly declined in 2020 as a result of the global COVID-19 pandemic and the lockdown that was subsequently declared in India. Following the opening of economic tourism, there have been increasing signs of survival. India recorded 6.44 million FTAs in 2022, a 321.54% increase over 2021 and a roughly 60% return of pre-pandemic levels. In terms of foreign visitor arrivals (ITA), India recorded 14.33 million ITA by reaching an 80% pre-pandemic level with an increase of 104.4%.

Inbound Tourism: Foreign Tourist Arrivals (FTAs), Arrivals of Non-Resident Indians (NRIs) and International Tourist Arrivals (ITAs) 1981, 1991, 2001 & 2011-2022

Year	FTAs in India (in Millions)	Percentage (%) Change over Previous year	NRI arrivals in India (in Millions)	Percentage (%) Change over Previous year	International Tourist Arrivals in India (in Millions)	Percentage (%) Change over Previous year
1981	1.28	2.0	-	-	-	-
1991	1.68	-1.7	-	-	-	-
2001	2.54	-4.2	-	-	-	-
2011	6.31	9.2	-	-	-	-
2012	6.58	4.3	-	-	-	-
2013	6.97	5.9	-	-	-	-
2014	7.68	10.2	5.43	-	13.11	-
2015	8.03	4.6	5.74	5.7	13.76	5.0
2016	8.80	9.6	6.22	8.4	15.03	9.2
2017	10.04	14.1	6.77	8.8	16.81	11.8
2018	10.56	5.2	6.87	1.5	17.42	3.6

2019	10.93	3.5	6.98	1.6	17.91	2.8
2020	2.74	-74.9	3.59	-48.6	6.33	-64.7
2021	1.52	-44.5	5.48	52.6	7.00	10.6
2022	6.44	321.5	7.89	43.9	14.33	104.43

Source: Bureau of Immigration, Govt.ofIndia

Environmental Quality as an Economic Signal, Not Just an Outcome

Most scholarly work in the area of tourism uses environmental quality as a dependent variable that is affected by rising tourist numbers. An alternative view is that environmental quality acts as an “economic signal” to help determine an investor’s level of confidence, a traveller’s willingness to pay, and the risk associated with a given destination. Good environmental index ratings will attract high-value tourists, long-term staying guests and sustainable investors to an area. Environmental degradation may be an early warning system and can indicate declining performance (Economic Trend) before economic data become available. In this instance, environmental quality is viewed not only as a consequence of tourism but also as a leading indicator of how competitive a destination is in attracting tourists.

Threshold Effects and Irreversibility in Tourism Destinations

The research on the Environmental Kuznets Curve (EKC) suggests that reaching a certain financial threshold may result in decreased environmental degradation. However, in reality, once certain ecological thresholds are exceeded, natural systems often suffer from permanent damage. This means that even if tourism levels decrease, coral reefs, coastal wetlands, glaciers and other ecological hot spots may not be restored to their previous condition. Therefore, if the ability of an ecosystem to support life is permanently reduced, efforts to stimulate economic growth or increase tourism will likely be unsuccessful. This shows that after tipping points are reached in an ecosystem, it is no longer possible to consider the trade-off between economic growth and environmental conservation, it is therefore imperative to practice environmental management proactively iEEF

Energy Transition as a Mediating Variable

In numerous investigations of how tourism affects the environment, energy usage has been interpreted as an external factor or a subordinate concern to the activity of tourism. This idea that a destination’s energy sources (Renewables as opposed to Fossil Fuels) moderates the relationship between tourism expansion and environmental health provides a more refined lens through which to view those two relationships. For example, destinations that have experienced comparable rates of tourism growth but different mix proportions of renewable energy are likely to have widely different ecological footprints based on the ratio of renewable to non-renewable energy consumption within the region. Additionally, as demand for eco-friendly and renewable energy grows with an increase in demanääÄÄÄ transition away from traditional fossil fuel-based energy to renewable sources of energy. With this understanding, it is possible to see that the tourism industry can play a key role in creating a more sustainable energy future and contribute to long-term environmental and economic sustainability, rather than being simply a contributor to greenhouse gas emissions.

Institutional Capacity as a Moderator of Sustainability Outcomes

Tourism can have a major negative influence on our environment; however, the effectiveness of governance will affect how these influences are felt. Weakly governed areas are places where

environmental degradation occurs most often as rules and regulations may not be sufficiently enforced. On the other hand, good governance will ensure that tourism will be able to grow while allowing for the sustainable use of natural resources, which will prevent the destruction of environments. The above shows that institutions play a key role in shaping the relationship between tourism and the environment, which indicates that the quality of institutions has a much greater moderating effect on the relationship than just income level; therefore, tourism-intensive areas need to develop good governance systems.

Climate Risk Feedback into Tourism Demand

The perception of danger from Climate change is actively shaping travel demand and is, therefore, affecting tourism flows as a direct result of climate change. Increasingly, extreme weather has been cited as a deterrent to travel to high-risk areas. Elements, including rising insurance costs, infrastructure resilience, and the integrated implementation of climate adaptation strategies, also greatly influence future flows of tourism. This new view of the role of climate sensitivity illustrates the necessity of managing climate risk through proactive means to support long-term sustainability to destinations whose economy is largely dependent on tourism, as opposed to relying solely on environmental conditions to support tourism.

Social Carrying Capacity as an Overlooked Constraint

Most studies related to tourism growth and sustainability do not take into account the importance of social carrying capacity (SCC) as compared to environmental carrying capacity (ECC). In many cases, local resistance, Cultural Decline and Job Losses have impeded Tourist Growth in several Destinations. Even when environmental quality is maintained, community backlash can severely hinder a destination's long-term sustainability and attractiveness. Consequently, findings indicate that it is critical for Sustainable Tourism Plans to incorporate a collaborative process with local communities in order to achieve Social Acceptance as well as Environmental Resource Protection.

Digitalization and Smart Tourism for Environmental Management

The use of AI, IoT, and BD all provide new ways to manage the movement of tourists and monitor their resource use, as well as their emissions. Digital nudges can assist travellers in making sustainable choices with regard to the resources they consume and the activities they partake in, as well as reducing their carbon footprint. With these advances, tourism can now be managed in a manner that does not create an inherent conflict between environmental stewardship and tourism growth.

Rethinking "Growth" in Tourism Economics

The traditional view of tourism research is to measure tourism performance on the basis of its contribution to a country's GDP and the resulting economic growth. Conversely, emerging views on how to measure tourism performance, or to define sustainable tourism growth, emphasize well-being-oriented growth, with the addition of measuring ecological resilience, resident satisfaction, and long-term job creation, to develop a new definition of sustainable tourism growth. Therefore, if growth is only measured by economic indicators, and ignores social and environmental factors, it may lead to negative consequences on the environment. To address this issue, a new definition of tourism growth needs to be established that includes economic, social, and environmental measures as part of the overall definition of sustainable tourism growth and describes the interdependencies

Unequal Environmental Costs within Tourism Economies

When it comes to research into tourism sustainability at an aggregate level, the majority of studies ignore the distributional impacts. Instead, the majority of research focuses on aggregate or overall economic growth or total environmental outcomes. In fact, local communities typically sustain a disproportionate share of the adverse effects of environmental degradation as a result of tourism, whereas distant stakeholders or external investors typically derive most of the economic benefits from tourism. Given the uneven distribution of the benefits of tourism, it is likely that this discrepancy will lead to decreased community support for future tourism growth as well as undermine the long-term political and social viability of the communities involved. To achieve truly sustainable tourism, it is necessary to ensure that the economic and environmental costs of tourism are equally shared, thereby allowing both local residents and larger tourism stakeholders to realise the full economic and environmental benefits of tourism and, ultimately, eliminating ecological harm caused by tourism.

Conclusion

The effects of tourism on the environment and economic growth vary greatly depending on the situation. Ecological tipping points restrict recovery if thresholds are surpassed, and environmental quality is a leading indicator of destination competitiveness. High-quality visitors, robust institutions, energy transition, climatic resilience, and social acceptance are all necessary for sustainable tourism. Sustainability is further improved via digital tools and fair environmental cost distribution. In general, resilient and competitive tourism locations must strike a balance between economic expansion and social and environmental preservation.

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