

Economic Contributions of Pilgrimage Tourism to Local Development: A Systematic Review of Empirical Evidence

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Abstract

Tourism is one of the most age-old types of human movement, and is a major contributor to economic activity in the areas where pilgrimage is practiced. Pilgrimage is primarily associated with religion, to a duty of ritual, to a sense of spiritual fulfilment, to cultural memory, to sacred geography, but also brings about measurable economic effects in many forms: pilgrim expenditure, jobs, entrepreneurship, livelihoods in the informal sector, local tax revenue and infrastructure requirements. The paper offers an empirical review framework that is systematic and empirical in analyzing the role of pilgrimage tourism in local development. The review follows the reporting principles in PRISMA 2020 focusing studies that examine the economic and livelihood effects of pilgrim tourism, religious or sacred site-tourism and faith-based tourism. It is based on the findings of the key strands of the evidence: visitor expenditure and local demand; employment and informal livelihoods; entrepreneurship and small business development; regional value added and multiplier effects; local revenue and public services; and sustainability and distributional challenges. It recommends that the expenditure by visitors, if kept in the local economy, can be a source of local value creation, small enterprises, job creation, linkages with local suppliers and overall community welfare. Several shortcomings in evidence, however, exist, including seasonality, leakage, weak infrastructure, crowding, environmental pressure, and distribution bias and the absence of measuring informal labour. Some methodological issues in the literature are the use of only one-site case studies, no longitudinal evidence and the use of input-output, social accounting matrix, computable general equilibrium, and travel cost approaches. The article also contributes in developing an organisation framework of the fragmented empirical evidence and suggests future research agenda on how to develop more robust measures of pilgrimage tourism contributions to inclusive and sustainable local development.

Keywords: pilgrimage tourism; religious tourism; local economic development; economic contribution; livelihood; employment; visitor expenditure; systematic review; empirical evidence; sustainable tourism

1. Introduction

Pilgrimage tourism is a subset of tourism that connects religious reasons with travelling, consumption, interacting in society and place-based economic activity. The pilgrimage is not the same as the traditional tourism experience, and is linked to the sacred geography, ritual, belief, remembrance and cultural continuity. At the same time, the pilgrimages lead to the demand for housing, food, transportation, offering, giving, goods

and products, guides, communication and public infrastructure services. Consequently, the sacred places also become economic systems which are dependent on the flow of visitors for livelihoods, and for the formal and informal businesses for income. (Cohen, 1992; Rinschede, 1992; Smith, 1992; Timothy & Olsen, 2006).

A key sector that contributes to the economy in the developing countries, rural areas, mountain settlements or shrine corridors, in the temple towns and in the heritage cities and in the semi-urban sacred places where alternative sources of livelihood are fewer. At pilgrimage sites, a variety of people, including hotels and restaurants, transport operators, flower sellers, souvenir traders, suppliers of ritual services, priests, pilgrimage guides, porters, photographers, small retailers and seasonal vendors, can be accommodated. Pilgrimage economies can have direct costs as well as indirect costs arising from purchases from suppliers, and induced costs as a result of income generated by workers linked to tourism activities (which are spent in the community). (Nolan & Nolan, 1992; Raj & Morpeth, 2007; Telfer & Sharpley, 2016).

One of the special features of pilgrimage tourism is re-visitors and re-visiting motives. Festivals, vows, family rituals, life cycle ceremonies, healing journeys, and fulfillment of religious obligations are all the reasons that many pilgrims visit sacred sites. Even in the absence of much general leisure tourism these recurrent flows can keep local markets alive. However, the economic benefits of pilgrimage are not given. The size and location of benefits is dependent on the numbers of visitors, how long they stay, spending behaviour, the local ownership of businesses, local provision of supplies, infrastructure quality, environmental capacity, governance and the capacity of the local community to engage in the tourism economy. (Turner & Turner, 1978; Collins-Kreiner, 2010; Vukonic, 1996).

With available empirical data, it is safe to assume that religious tourism can also provide value added and employment to small religious tourism sites in Europe, if there is a well-developed local supply structure, and religious tourism can help the entrepreneurship and livelihood of sacred sites like Manakamana, Nepal (Gautam, 2023; Hilpert, 2018). Moreover, the literature on economics of tourism shows that value added in the tourism sector could be created by inter-sectoral linkages, in the value added of the industries that are closely related with tourism (Zhou et al., 1997; OECD, 2024). The findings show that pilgrimage tourism is a cultural or spiritual activity but also the instrument for the development of local economy.

Notwithstanding these opportunities, the literature is still disjointed. Studies on motivations of visitors, and their images of sacred experience; Studies on heritage management, or on the sustainability; and fewer studies on the local income, local employment, livelihood, local revenue, and local multiplier effects. It is also common to have under-reporting in informal employment and less documentation of women's participation as well as limited longitudinal evidence. Also, the lack of analysis of leakage, external ownership, seasonal vulnerability, management costs for crowd management, waste management, environmental stress. In order to synthesize evidence, review measurement methods and identify research gaps, a systematic empirical review is needed. (Collins-Kreiner, 2010; Shinde, 2007; Shinde, 2010; Meyer, 2007).

This article aims to respond to this need by summarizing the empirical evidence of the economic contribution of pilgrimage tourism to local development. The review is targeted at tourism experts, academics, economists, policy makers, managers of destinations, religious-site managers and local government planners. It emphasises the development results with a measurable dimension, and recognises the social, cultural, spiritual and environmental component of pilgrimage tourism. The main idea is that the tourism of pilgrimages can be used as a way of achieving inclusive local development if the money spent is kept in the area, its benefits are distributed fairly, informal workers are valued and the management of the sacred places is sustainable. (Page et al., 2021; Dwyer et al., 2004; Stynes, 1997).

2. Conceptual and Theoretical Background

2.1 Pilgrimage Tourism and Local Development

Pilgrimage tourism involves tourism experiences that are undertaken to a certain degree on the basis of religious beliefs, spiritual practices, religious duty, religious participation, healing, thanks giving, cultural identity or to see a religious site. The pilgrim/tourist dichotomy is not always clear-cut as pilgrims can also travel for sightseeing, family traveling and travel to experience the heritage motive and experience a pilgrimage. This is important for economic analysis because pilgrims may be both tourists and fulfill their economic duties and implementations at the same time as their religious ones. (Cohen, 1992; Rinschede, 1992; Smith, 1992; Turner & Turner, 1978).

Local development is an improvement to the economic and social conditions of the communities within and surrounding the destination. The concept of pilgrimage based development can include: income generation, employment generation, development of local small businesses, livelihood diversification, development of local markets, public revenue generation, infrastructure development, poverty reduction and community welfare. However, the inclusiveness and sustainability, cultural protection and environmental balance must also be taken into account. (Ashley et al., 2001; Mitchell & Ashley, 2010; Telfer & Sharpley, 2016).

2.2 Economic Impact and Multiplier Logic

In general, there are different types of economic impacts in tourism impact analysis such as direct impact, indirect impact and induced impact. The direct impacts are related to the money spent by pilgrims on hotel, food, transportation, ritual items, offerings and entrance fees or guiding services. Indirect effects are those of industries that supply products to the tourism sector such as the food sector, transport maintenance, construction workers, laundry and wholesale traders. Induced effects are the result of the spending of tourist dollars by the tourism industry and its workers and/or business owners on local household consumption. (Archer & Fletcher, 1996; Dwyer et al., 2004; Fletcher, 1989; Stynes, 1997).

The degree of linkages in the area will determine the multiplier effect. If hotels purchase locally grown agricultural products, if ritual-service income is paid to the local community, and if souvenirs are sold by locally owned artisans to the local community, these gains will be increased. The local development contribution will be reduced by leakage, where ownership is not in the local economy or where supply is from outside the local economy or profits are earned elsewhere. Therefore, apart from the number of visitors, the value retention and value distribution of expenditure in pilgrimage tourism should be considered. (Meyer, 2007; Lacher & Nepal, 2010; Zhou et al., 1997).

2.3 Livelihood and Informal Economy Perspective

The need to adopt a livelihood perspective is due to the fact that many pilgrage-based economies are micro enterprises, household based business, seasonal vendors and informal workers dominate these economies. The visits of people to the sacred sites may be crucial for various businesses including porters, photographers, ritual helpers, small food vendors, transport workers and flower vendors. These workers are frequently not included in formal statistics, and not covered by bank credit, insurance, training, and policy support. Therefore, the official assessment of the importance of pilgrimage tourism to livelihood could be low. (Ashley et al., 2001; Mitchell & Ashley, 2010; Shinde, 2010).

The informal sector is not just an edge business in pilgrimage tourism. It is manifested in local service delivery in numerous places of sacredness. Informal workers help pilgrims to perform rituals, purchase offerings, lead on pilgrimage routes, set up rooms and transportation. Informality needs to be recognized as a means to inclusive development because it's very likely that the poorest families' life earnings depend on small daily incomes derived from pilgrimage activities. (Meyer, 2007; Shinde, 2010; Telfer & Sharpley, 2016).

2.4 Sustainable Pilgrimage Development

Pilgrimage is a form of tourism which can be beneficial, yet if unmanaged, can cause congestion, waste, water stress, noise, cultural commercialism, pressure on heritage buildings and tension between visitors and residents. Balancing the opportunity to grow the business of pilgrimage with the opportunity to create a sacred experience, environmental capacity, visitor safety and community welfare is an essential ingredient in sustainable pilgrimage development. It is necessary to take into account the benefits and costs in an economic appraisal of pilgrimage tourism. (Butler, 1980; Inskeep, 1991; Mason, 2015; Shinde, 2007).

Another sustainable perspective is to examine "who's benefiting? Pilgrimage tourism can also deepen inequality if the benefits of tourism accrue to the local elites, to outside investors, and to formal businesses, and to the informal sectors, they are evicted, pushed to pay the higher prices of the formal business and the rent, or have to work for lower wages. Local ownership, skill development and respective and equitable regulation of vendors, sanitation system and waste management, accessible infrastructure and transparent use of revenue in inclusive policy should be supported. (Ashley et al., 2001; Mitchell & Ashley, 2010; Meyer, 2007).

3. Objectives and Research Questions

3.1 Objectives

1. To systematically review empirical studies on the economic contribution of pilgrimage tourism to local development.
2. To identify major economic outcomes of pilgrimage tourism, including income, employment, business growth, livelihood, visitor expenditure, local revenue, and infrastructure-related benefits.
3. To examine the theories, variables, methods, study areas, and measurement approaches used in previous empirical studies.
4. To identify empirical gaps in the literature on pilgrimage tourism and local economic development.
5. To propose a future research agenda for stronger empirical assessment of pilgrimage tourism, livelihood promotion, and sustainable local development.

3.2 Research Questions

6. What economic contributions of pilgrimage tourism have been identified in empirical studies?
7. How does pilgrimage tourism support local income, employment, small business, livelihood, and local revenue?
8. What methods, theories, variables, and indicators have previous studies used to measure economic contribution?
9. What challenges limit the inclusive and sustainable contribution of pilgrimage tourism to local development?
10. What empirical gaps and future research directions can be identified from the existing literature?

4. Review Methodology

The design of this article is a systematic literature review, which is based on the reporting guideline of the PRISMA 2020. PRISMA 2020 offers a transparent process of identification, screening, eligibility and inclusion of studies on the basis of a structured checklist and flow-diagram approach (This includes the use of the checklist and flow-diagram for identification, screening, eligibility assessment and inclusion of studies (Page et al., 2021).). While the PRISMA framework was created for health-related systematic reviews, its principles of transparency with respect to search strategy, inclusion and evidence synthesis are beneficial in social science and tourism reviews. (Page et al., 2021; PRISMA, 2020).

The review highlights empirical studies addressing pilgrimage tourism, religious tourism, sacred-site tourism, spiritual tourism, and/or faith-based travel that have a minimum of one economic and/or local-development outcome. Both quantitative and qualitative studies are relevant as pilgrimage economies involve measurable

expenditures, as well as lived livelihood experiences. Mixed-method studies are especially useful as they can link visitor spending to business results, employment, perception of the community and sustainability. (Collins-Kreiner, 2010; Raj & Morpeth, 2007; Timothy & Olsen, 2006).

The proposed period of publication is 2000-2026, although more focus will be placed on the research after 2010, as the development of research on religious tourism, sustainable tourism and local development increased significantly during this period. Only English-language sources are used for comparability. In addition, non-English studies may be incorporated if a reliable translation exists, and when the study clearly demonstrates empirical findings relating to economic outcomes. Theological, devotional or visitor-motivation research is outside the scope of the category unless it includes economic or livelihood factors. (Collins-Kreiner, 2010; Khoiriyah et al., 2024; Shinde, 2007).

4.1 Databases and Search Sources

The review may use Scopus, Web of Science, ScienceDirect, Taylor & Francis Online, Emerald, SpringerLink, MDPI, Google Scholar, DOAJ, university repositories, and selected institutional sources. Tourism economic-impact methods may also be supported by reports from the OECD, UNWTO, national tourism boards, and local government agencies when such sources provide measurement frameworks or empirical data. The exact date of the final search should be recorded before journal submission. (Page et al., 2021; UNWTO, 2010; OECD, 2024).

4.2 Search Strategy

Concept	Search terms	Purpose
Pilgrimage tourism	pilgrimage tourism OR religious tourism OR sacred site tourism OR spiritual tourism OR faith-based tourism	To capture different terms used for pilgrimage-related tourism.
Economic contribution	economic impact OR economic contribution OR visitor expenditure OR multiplier effect OR value added OR income generation	To identify studies with measurable economic outcomes.
Local development	local development OR livelihood OR employment OR entrepreneurship OR small business OR informal economy OR community development	To identify local-level development outcomes.
Review focus	empirical evidence OR case study OR survey OR input-output OR travel cost method OR mixed method	To retain empirical studies and measurement-based evidence.

4.3 Inclusion and Exclusion Criteria

Criterion	Include	Exclude
Study type	Empirical articles, empirical book chapters, systematic reviews with empirical synthesis	Opinion essays, non-academic blogs, purely descriptive travel notes
Topic	Pilgrimage, religious, sacred-site, spiritual, or faith-based tourism	General tourism studies without religious or pilgrimage focus
Outcome	Income, employment, business growth, expenditure, local revenue, livelihood, infrastructure, value added	Studies limited only to belief, ritual, or motivation without economic outcome
Method	Quantitative, qualitative, mixed-method, input-output, travel cost, survey, interviews, case study	Studies without identifiable research method
Language	English and translated non-English sources when quality is clear	Non-English sources without reliable translation

Criterion	Include	Exclude
Period	2000-2026 or the final period selected by the author	Studies outside the selected review period

4.4 Screening Procedure and PRISMA Flow

The final manuscript should report the number of records identified, duplicate records removed, titles and abstracts screened, full texts assessed, full texts excluded with reasons, and studies included in the final synthesis. The figure below is included as a PRISMA completion template. To avoid false reporting, numerical counts should be entered only after the author conducts the final database search and screening. (Page et al., 2021; PRISMA, 2020).

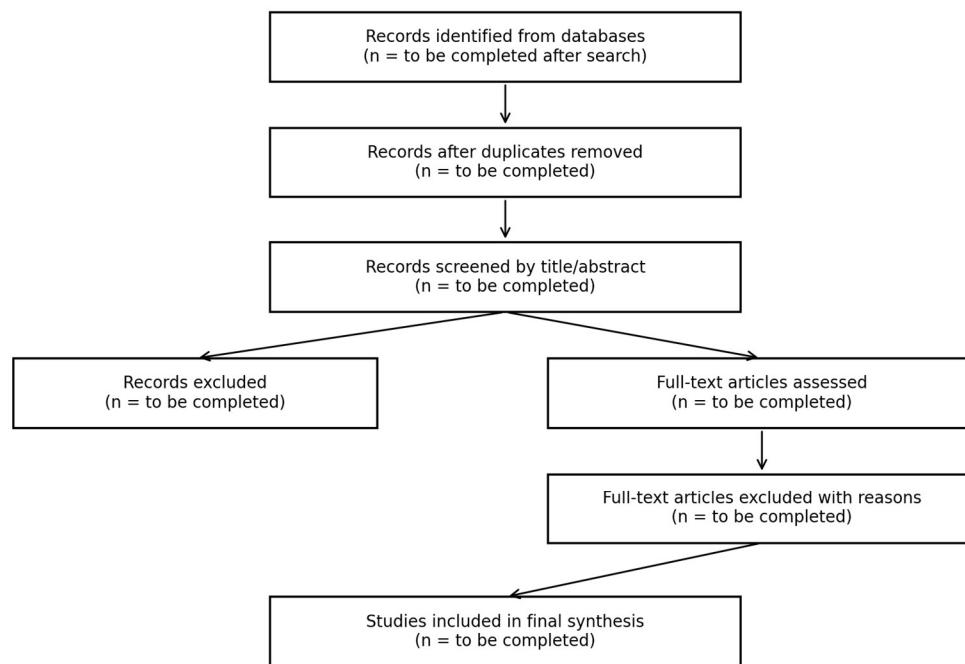


Figure 1. PRISMA screening flow template for the systematic review.

4.5 Data Extraction and Quality Appraisal

For each eligible study, the following information should be extracted: author and year, country, pilgrimage site, research design, sample, data source, economic variables, key findings, limitations, and policy implications. Quality appraisal should consider clarity of research question, appropriateness of method, transparency of sampling, reliability of data source, relevance of economic indicators, strength of analysis, treatment of limitations, and usefulness for local development policy. (Dwyer et al., 2004; Page et al., 2021; Stynes, 1997).

Extraction area	Information to record
Bibliographic data	Author, year, title, journal, DOI, country
Context	Pilgrimage site, type of sacred destination, scale of tourism
Method	Survey, interviews, case study, input-output, travel cost, mixed method
Economic variables	Visitor expenditure, income, employment, business performance, revenue, value added

Extraction area	Information to record
Findings	Main evidence on local economic contribution and distribution
Limitations	Data weaknesses, generalizability, seasonality, leakage, informal-sector gaps
Policy implication	Destination management, local enterprise support, sustainability, infrastructure

5. Conceptual Framework

The conceptual framework connects pilgrimage visitor numbers with local economic outcomes via expenditure and local supply chains. Pilgrims pay for transportation, lodging, meals, gifts, ritual services, souvenirs, tithes, local guides and more. These costs provide actual jobs and income for business and workers. They can also have indirect effects as businesses buy products from other local businesses and induced effects as workers spend their salary locally. (Archer & Fletcher, 1996; Dwyer et al., 2004; Fletcher, 1989; Stynes, 1997).

The framework acknowledges that moderating factors including infrastructure, destination management, seasonality, environmental capacity, security, policy support, local ownership, and leakage control are all key factors which influence local development outcomes. The more that the local economy is served by local companies providing goods and services, the more likely that pilgrage expenditure will stay in the local economy. In conditions where ownership is out of the local jurisdictions' control and supply chains are less developed, the economic leakage is lower and therefore the local benefits are lower. (Meyer, 2007; Lacher & Nepal, 2010; Mitchell & Ashley, 2010).

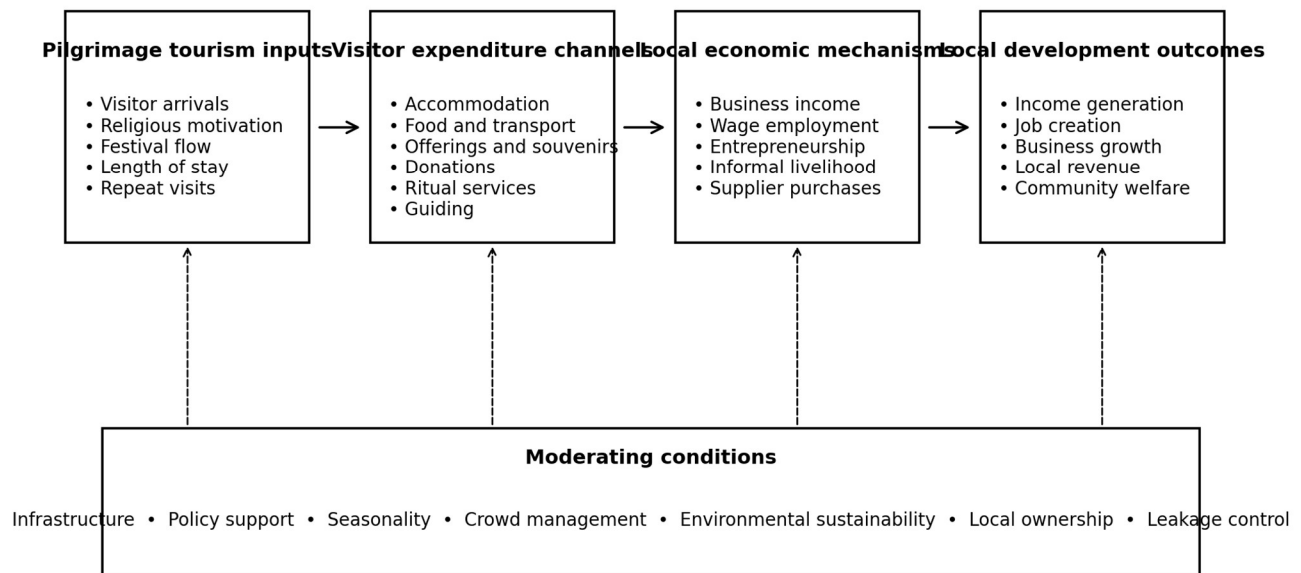


Figure 2. Conceptual framework of the review.

6. Selected Empirical Evidence Matrix

Table 4 presents a structured matrix for selected empirical and methodologically relevant studies. The table should be expanded further after final database screening. Its purpose is to organize the literature by site, method, economic variables, findings, and limitations. (Gautam, 2023; Hilpert, 2018; Khoiriyah et al., 2024; Shinde, 2010).

Author / year	Country / site	Method	Economic variables	Key findings
Gautam (2023)	Nepal / Manakamana Temple	Case study and survey	Entrepreneurship, livelihood, business sustainability	Religious tourism supports local entrepreneurs and livelihood, but businesses face infrastructure and management challenges.
Hilpert (2018)	Germany / Bavaria small pilgrimage sites	Regional economic analysis	Regional value added, jobs, local supply structure	Even small pilgrimage sites can create value added and employment when local service linkages exist.
Shinde (2010)	India / religious tourism sites	Empirical entrepreneurship study	Indigenous entrepreneurship, local business	Religious tourism creates entrepreneurial opportunities for local residents but requires supportive governance.
Shinde (2007)	India / pilgrimage centre	Case-based environmental analysis	Destination pressure, infrastructure, costs	Pilgrimage growth can create environmental and management pressures that affect destination sustainability.
Nolan & Nolan (1992)	Europe / religious sites	Comparative study	Visitor flows, religious attractions	Religious sites function both as sacred places and tourism attractions, producing local service demand.
Cohen (1992)	Comparative pilgrimage centres	Theoretical-empirical synthesis	Pilgrim-tourist interaction, sacred centres	Pilgrimage centres develop complex relationships between devotion, tourism, and local economies.
Collins-Kreiner (2010)	International literature	Review synthesis	Pilgrimage transformation, tourism interface	Pilgrimage research shows continuity and change, requiring integrated cultural and economic analysis.
Rinschede (1992)	Global religious tourism	Conceptual and empirical categorization	Forms, scale, destination types	Religious tourism has short-term and long-term forms with different local economic implications.
Khoiriyah et al. (2024)	Religious tourism literature	Systematic literature review	Sustainability impacts	Religious tourism produces social, economic, and

Author / year	Country / site	Method	Economic variables	Key findings
				environmental effects; weak management threatens sustainability.
OECD (2024)	International tourism economies	Input-output framework	Direct and indirect value added, spillovers	Tourism expenditure generates value added across industries through intersectoral linkages.
UNWTO (2010)	Tourism impact measurement	Methodological framework	Visitor expenditure, economic impact	Tourism economic impact requires careful measurement of spending, employment, and sectoral linkages.
Zhou et al. (1997)	Tourism impact methodology	Economic impact model	Output, income, employment	Economic impacts vary by model choice, local multipliers, and leakage assumptions.
Fletcher (1989)	Tourism impact studies	Input-output analysis	Multipliers, interindustry linkages	Input-output analysis is useful for estimating tourism effects across local and regional sectors.
Dwyer et al. (2004)	Tourism economics	Methodological assessment	Economic effects, policy evaluation	Tourism economic assessment should distinguish gross spending from net regional benefit.
Stynes (1997)	Tourism impact measurement	Methodological guide	Spending, jobs, income, taxes	Visitor spending can be translated into sales, income, employment, and fiscal effects when data are reliable.

7. Thematic Synthesis of Empirical Evidence

7.1 Visitor Expenditure and Local Demand

One of the most important economic benefits of pilgrimage tourism is the spending by tourists. Pilgrims have to pay for transportation, food and lodging, ritual items, donation, mementoes, local guides, and personal services. Visitor expenditure is considered a starting point for direct, indirect and induced effects in the field of tourism economics. Spending is income to the households, businesses, vendors, drivers, priests, guides and service workers that own the enterprises in which it takes place. (Archer & Fletcher, 1996; Stynes, 1997; UNWTO, 2010; Zhou et al., 1997).

There are some significant differences between pilgrimage expenditure and leisure tourism expenditure. Some pilgrims might invest a little in the place of accommodation and a lot in ritual items, offering, giving, transport or religious services. Some are likely to travel in groups, reside with family members or visit during festivals, resulting in short-term, seasonal demand. Thus, it is important for empirical research to gather expenditure data that is specific to the site rather than use tourism averages. A proper assessment should include the following

information: type of expenditure, place of purchase, ownership of enterprise, locally produced or imported goods. (Cohen, 1992; Rinschede, 1992; Smith, 1992).

Economic impact of spending is related to the retention of the money. When pilgrims buy local food, travel using local transportation, and buy locally-made souvenirs, spending stays in the destination economy. Leakage reduces impact if goods are imported, business is externally owned. This implies that planning of the pilgrimage destination should encourage local supply chains, local entrepreneurship and market access to micro enterprises. (Lacher & Nepal, 2010; Meyer, 2007; Zhou et al., 1997).

7.2 Employment and Informal Livelihood

There are formal and informal jobs available in pilgrimage sites. The following sectors are considered to be in formal employment: hotels, restaurants, transport companies, site management bodies, tour agencies and public service providers. Examples of informal livelihoods are flower sellers, street vendors, ritual assistants, porters, small retailers, photographers, local guides, cleaning workers, temporary festival workers, and family businesses. These unorganized activities play an important role in pilgrimage economies particularly in South Asia and developing countries. (Gautam, 2023; Hilpert, 2018; Shinde, 2010).

Empirical tourism studies tend to underestimate informal employment since it can be temporary, unregistered, family based or take place alongside of agriculture and other jobs. This results in a disparity between true dependence on livelihoods and official economic data. Qualitative and mixed-method evidence on informal livelihoods, women's participation, youth employment, migrant workers and micro-entrepreneurship should therefore be included in a systematic empirical review. (Ashley et al., 2001; Mitchell & Ashley, 2010; Telfer & Sharpley, 2016).

There are also differential employment effects. The workers might be able to earn profits in the high pilgrimage seasons but during off seasons, they might experience income insecurity. Festival/festive economies can provide short-term employment but may not provide employment for the rest of the year. Future research should break full time, part time, seasonal, family and informal labour down into distinct categories. (Butler, 1980; Shinde, 2007; Vukonic, 1996).

7.3 Entrepreneurship and Small Business Development

Pilgrimage centres can develop into 'towns of tiny companies'. Religious tourists generate demand for restaurants, tea shops, guesthouses, souvenir shops, ritual goods, transport services, photography and guiding and donating services. In a study on religious tourism and entrepreneurship in Manakamana, Nepal, Gautam (2023) has identified that the livelihoods of the local people depend on religious and tourist visits, infrastructure and management of the place. (Gautam, 2023; Raj & Morpeth, 2007; Shinde, 2010).

Pilgrimage sites can be a place of opportunity or necessity entrepreneurship. Entrepreneurs invest in hotels, shops, restaurants, and transport services in that they believe that there is a high demand for visitors. Others participate through small stalls, vending, ritual assistance or services provided in the household as pilgrimage is one of the few income earning opportunities available. Both forms of entrepreneurship are essential but call for different policy support. There is a need for credit, training and market promotion for formal enterprises, and vending space, sanitation, identity recognition, and protection from arbitrary eviction for informal entrepreneurs. (Sharpley & Sundaram, 2005; Shinde, 2010; Telfer & Sharpley, 2016).

Infrastructure also influences the development of small businesses. There are a number of ways to make visitors more available and spend more money, including roads, cable cars, parking systems, digital payment systems, sanitation, electrical power and crowd management. But infrastructure also has a potential to shape local business competition through attracting external investors. Thus local ownership and fair participation must be added as moderators to economic-impact analysis. (Inskeep, 1991; Mason, 2015; Shinde, 2007).

7.4 Regional Value Added and Multiplier Effects

Regional value added is the value added to an economy in a region as a result of activities related to tourism. Small pilgrimages can yield regional value added and jobs, as well, if they have local supply connections, according to the analysis by Hilpert of small pilgrimage sites in Bavaria (Hilpert, 2018). This is significant as pilgrimage tourism does not need to be restricted to well recognised world scale locations, but can be used to enhance rural and regional development for smaller shrines. (Hilpert, 2018; Dwyer et al., 2004; OECD, 2024).

Multiplier effects are a function of the local economy structure. The amount spent by pilgrims spreads across various sectors if there is local accommodation, restaurants, transport, agriculture, crafts and maintenance services. The smaller the multiplier is, the greater the reliance on imported goods, outside labour and outside ownership of the destination. These relationships can be estimated using input-output models, social accounting matrices and computable general equilibrium models, but these models will only be accurate if there is reliable data. (Fletcher, 1989; Lacher & Nepal, 2010; Meyer, 2007).

In many pilgrimage destinations data limitation will not allow advanced modelling. Expenditure surveys, business income surveys, counts of employment, and qualitative interviews may be the starting points of research. These data can be used over time to help more advanced regional economic analysis. (Stynes, 1997; UNWTO, 2010; Zhou et al., 1997).

7.5 Local Revenue, Infrastructure, and Public Services

Pilgrimage tourism can generate revenue for the local community in the following ways, entry fees, parking fees, business taxes, hotel taxes, transport fees, donations, service fees, stall rents, and a boost in commercial activity. These revenues can be applied to sanitation, roads, lighting, security, heritage, visitor facilities and waste management among other things by local governments and site-management authorities. So the pilgrimage tourism can contribute to public infrastructure and services. (Archer & Fletcher, 1996; Dwyer et al., 2004; UNWTO, 2010).

But there are also public costs of increased numbers of visitors. There is a need for public expenditure for crowding and waste, demand for water, traffic congestion, road damage, emergency response, ritual waste, and pressure on heritage structures. There should therefore be a balance approach to the economic review of both revenues and costs. Net local benefit is not guaranteed with high numbers of visitors, unless management costs are less than retained revenue or environmental harm is less than the value of the destination in the long-term. (Mason, 2015; Shinde, 2007; Inskeep, 1991).

Revenue transparency is key to supporting the community. The local residents are more inclined to accept pilgrimage tourism when the development is visible on the roads, sanitation, drinking water, public toilets, waste management and livelihood. So, when conducting economic studies, it is crucial to ask questions regarding public revenue, reinvestment and community perception. (Ashley et al., 2001; Mitchell & Ashley, 2010; Telfer & Sharpley, 2016).

7.6 Sustainability and Distributional Challenges

The sustainability of pilgrimage tourism hinges on the inclusive, environmentally responsible and institutionally managed economic benefits. Systematic literature analysis shows that religious tourism generates social, economic and environmental effects, but uncontrolled development can lead to a decline in the sustainability of a tourist destination (Khoiriyah et al., 2024). Special challenges exist for sacred destinations as they have to balance the preservation of their religious significance with the needs of visitors' facilities and business operations. (Khoiriyah et al., 2024; Mason, 2015; Shinde, 2007).

One of the main issues is distributional equity. Not all residents benefit equally from pilgrimage tourism. Landowners, large shopkeepers, transport companies, and hotel operators can earn more than wage workers and poorer households and informal vendors. Increased rents and commercialization can even drive out neighborhood residents or small businesses. Thus, future empirical research ought to quantify the benefits, costs

and the gender, caste, class and occupational distribution of benefits. (Ashley et al., 2001; Mitchell & Ashley, 2010; Meyer, 2007).

Long-term economic benefits can also be diminished under environmental pressure. The negative impacts on the sacred environment and visitation satisfaction include waste accumulation, polluted rivers, noise, unmanaged construction projects and crowding. A sustainable pilgrimage management plan should include the elements of economic planning, waste management, heritage management, carrying capacity, public health and cultural sensitivity. (Butler, 1980; Inskip, 1991; Shinde, 2007).

8. Discussion

The reviewed evidence indicates that pilgrimage tourism has a number of interrelated paths to local development. The first pathway is expenditure, as pilgrims buy goods and services that are used to produce income and business revenue. The second route is job creation: pilgrimage flows lead to a generation of wage work, self-employment, informal livelihood, and seasonal employment. The third is enterprise development: sacred places foster entrepreneurship. The fourth is regional linkage, via tourism enterprises buying inputs from other sectors. Public revenue – destination fees, business taxes, and service charges can support infrastructure and public services – is the 5th pathway. (Archer & Fletcher, 1996; Gautam, 2023; Hilpert, 2018; Stynes, 1997).

But the power of these routes is subject to change from destination to destination. The chances of retaining benefits are greater when pilgrimage sites are owned locally, offer a variety of services, have good infrastructure and have local supply chains. High numbers of visitors can generate high local benefits, but at weak sites these benefits may be generated with lower levels of management, external ownership, high leakage, and concentration seasonally. This discovery highlights the importance of economic analysis for the destinations and not just tourism growth in general. (Lacher & Nepal, 2010; Meyer, 2007; Zhou et al., 1997).

The review, it also indicates that pilgrimage tourism should be considered from economic and socio-cultural perspectives. Sacred places are no ordinary market. Society is religious and this means that ritual, faith, morality, sacredness and community identity are important in relation to economic activity. If there is too much commercialization, it can lead to conflict between spiritual values and business interests. Hence, sacred destinations should not be merely revenue generating space, and local development policy should avoid that. Rather, it is recommended that there is a balance between livelihood promotion and protection of religious meaning and cultural heritage in the policy. (Cohen, 1992; Rinschede, 1992; Timothy & Olsen, 2006).

In terms of methodologically, pilgrimage tourism research requires better measurement. The data on the number of visitors and general expenditure are not sufficient. Pilgrim, business, working population, household, local government and site-management authorities should be targeted for data collection. The mixed method designs are particularly useful because they also involve the community experience along with a numerical estimate. Longitudinal designs should also be considered for further studies and analysis of how pilgrimage economies shift following infrastructure investment, festivals, disasters, pandemics or policy changes. (Dwyer et al., 2004; Fletcher, 1989; Page et al., 2021; UNWTO, 2010).

9. Major Research Gaps

- There is a lack of systematic evidence on the specific contribution of pilgrimage tourism to local economic development instead of general tourism growth.
- Limited transnational or comparative sacred-site studies, and overreliance on single site studies.
- Informal employment is weakly measured, seasonal income is not, women participation is very limited and caste/class dimension is not, and micro-enterprise benefit is very weak.
- Little use of more sophisticated economic impact tools such as input output analysis, social accounting matrix, computable general equilibrium models and travel cost method.

- Lack of focus on expenditure leakage, external ownership, linkages with suppliers and unequal benefit distribution.
- Lack of longitudinal information on the change of pilgrimage economies before and after infrastructure upgrading, crisis, disaster, pandemic or policy change.
- Poor economic, cultural, environmental and social indicator integration in pilgrimage-tourism impact studies.
- Flawed policy assessment of the effectiveness of destination-management reforms to improving the livelihood and sustainability outcomes of the local community.

10. Future Research Agenda

Future studies need to integrate visitor expenditure survey with business survey, worker survey, and household livelihood survey. This would enable researchers to gauge the total amount spent by pilgrims, as well as who benefits from it and what impact it has on household welfare, employment and local enterprise creation. (Dwyer et al., 2004; Stynes, 1997; UNWTO, 2010).

The informal workers need to be paid more attention since pilgrimage economy is frequently dependent on small vendors, ritual-service providers, seasonal workers and micro-entrepreneurs. The addition of these groups would enhance the validity and equity of the economic impact assessment at the local level. (Ashley et al., 2001; Mitchell & Ashley, 2010; Shinde, 2010).

In terms of the method, future research can be carried out by applying input-output models, the multiplier analysis, the travel cost method, social accounting matrix, computable general equilibrium models, and structural equation modelling. Furthermore, mixed-method designs are also helpful due to the fact that pilgrimage tourism involves measurable expenditures and perceptions of benefits/costs in the community. (Dwyer et al., 2004; Fletcher, 1989; Stynes, 1997; Zhou et al., 1997).

Comparative studies on sacred sites in Nepal and South Asia would be useful. These studies would then be able to compare sacred destinations of the Hindus, Buddhist, Islamic, Christian and mixed religion communities, as well as large and small pilgrimage economies, and mountain and urban pilgrimage destinations. Comparative research could help to reveal which management model gives the better local economic return. (Collins-Kreiner, 2010; Raj & Morpeth, 2007; Timothy & Olsen, 2006).

Policy interventions should also be explored in the future. For instance, research can be conducted to see if an upgrade of roads, cable cars, sanitation, regulations of vendors, heritage protection, digital payment systems or training in local enterprise increase local income and reduce environmental pressure. This evidence would help pilgrimage tourism research to be more useful to planners and policymakers. (Butler, 1980; Inskeep, 1991; Mason, 2015).

11. Policy Implications

Policy actor	Suggested action
Local government	Use pilgrimage revenue transparently for sanitation, roads, lighting, waste management, public toilets, safety, and heritage conservation.
Destination management bodies	Develop visitor-flow planning, crowd management, vendor zones, emergency systems, and environmental monitoring.
Small entrepreneurs	Provide training, micro-credit, digital payment support, product quality improvement, and market access.
Informal workers	Recognize street vendors and ritual-service providers through fair registration, designated spaces, basic facilities, and social protection.

Policy actor	Suggested action
Community organizations	Promote local ownership, cooperative supply chains, women's participation, and community monitoring of tourism benefits.
Researchers	Use mixed methods, clear expenditure surveys, livelihood mapping, and longitudinal evidence to measure both benefits and costs.

12. Conclusion

Pilgrimage tourism is more than a spiritual journey; it is also an important local economic system. Empirical evidence indicates that pilgrimage destinations can generate income, employment, entrepreneurship, regional value added, and public revenue. These benefits are created through visitor expenditure and the local supply of goods and services. However, the magnitude and distribution of benefits depend on infrastructure, management, local ownership, seasonality, environmental capacity, policy support, and leakage control. (Gautam, 2023; Hilpert, 2018; OECD, 2024; Shinde, 2010).

The systematic review proposed in this article contributes to the literature by consolidating empirical evidence on the economic contribution of pilgrimage tourism to local development. It also identifies methodological gaps and proposes a stronger research agenda for measuring visitor expenditure, informal employment, local business income, multiplier effects, and sustainable development outcomes. For policymakers, the review emphasizes that pilgrimage tourism should be managed not only as a religious or cultural activity but also as a pathway for inclusive local economic development. (Page et al., 2021; Dwyer et al., 2004; Stynes, 1997).

A key conclusion is that the local development value of pilgrimage tourism depends less on visitor numbers alone and more on how visitor spending is retained, circulated, governed, and distributed. Sacred destinations can support development when local communities participate in enterprises, informal workers are recognized, infrastructure is improved, environmental costs are controlled, and revenue is reinvested transparently. Therefore, future pilgrimage-tourism policy should combine economic planning, cultural respect, environmental management, and social inclusion. (Lacher & Nepal, 2010; Meyer, 2007; Mitchell & Ashley, 2010).

13. Journal Submission Notes

- Finalize exact database selection, search date, and screening numbers before submission.
- Replace the PRISMA template with actual record counts after completing the database search.
- Expand the empirical evidence matrix after final screening of eligible studies.
- Check the selected journal's word limit, reference style, indexing status, article processing charge, and review policy.
- Verify every reference, DOI, and journal name before final submission.
- For Q1/Q2/Q3 submission, strengthen the manuscript with 30-50 final reviewed studies and a transparent quality appraisal table.

Citation Strengthening Note

In this revised version, in-text citations have been added across the introduction, theoretical background, methodology, conceptual framework, thematic synthesis, discussion, future research agenda, and conclusion. The citation pattern follows APA style and links conceptual claims with foundational pilgrimage-tourism literature, tourism economic-impact studies, sustainable tourism literature, and empirical evidence on entrepreneurship, regional value added, informal livelihood, leakage, and local development.

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