

The Socio-Economic Transformation of District Ayodhya: An Analysis of Spiritual Socialism (2024-2025)

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Abstract

This research paper studies the data based on “Spiritual Socialism” development project as special study in the Ayodhya district, which focuses on quantitative data collected from economic data survey. The idea behind this study adopts a practical approach to know how cultural can change state level development and planning to take the region to next level from their economic performance. We observe the data of the period from 2024 to 2025 the study shows changes in Gross District Domestic Product (GDDP), employment opportunities, infrastructure development and revenue generation. The findings tell us that economic activity increase when public expenditure on infrastructure, urban development, enhancement of railways and facilities given to tourist visiting for spiritual growth. Tourist footfall increases at high rate during the study period, unexpected level in 2025. Due to high tourist footfall, the city has to prepare for accommodation, food supply, transport, retail services and also digital provider. The Ayodhya district’s traditional economic structure has transformed; service sector plays important role in the growth of Gross District Domestic Product. The analysis shows that infrastructure growth of the Ayodhya has been linked with multiplier effect, highlighting the shift of public expenditure into private economic activity enhancement. Due to increase in number of tourist consumption, there is increase in income of service provider which contribute to rise in collection of Goods and services Tax (GST). We can also see shift in disguised rural unemployment to formal and semi-formal service provider sector; labour market has changed for better distribution work. Employment elasticity calculations support in the nature of development process by focusing that production growth in this period was slightly high labour absorbing as employment opportunities has been increased.

The growth in infrastructural transformation of the Ayodhya’s economy has shown remarkable shift of agricultural workforce towards engaging themselves in service provider occupations. This transformation leads to a rise in per capita income and an increase in digital transaction volumes. There is high involvement of economic activity linked with development of spiritual growth. Ayodhya District in Uttar Pradesh is hub of growth; it connects religious, spiritual and cultural aspect of the state for the welfare. The conclusion of the research paper is that Ayodhya is great example of spiritual and cultural epicentre to become a complex source for economic development. The focus on Ayodhya is also political that help the district in government aid for infrastructure investment which lead to create a path for social growth, fiscal enhancement with economic transformation

Keywords- Gross District Domestic Product (GDDP), Employment Elasticity, Tourism Multiplier, Capital Expenditure (CapEx), Fiscal Revenue.

Introduction

In recent years Ayodhya district has gone a huge documental and structural transformation since inauguration of Shri Ram Janam Bhoomi Temple on 22, January 2024; which has created a historical and cultural base for economic growth. There is serval policy framework with concept of Spiritual Socialism

focuses on infrastructure, urban redevelopment as pilgrimage-oriented economic place. Ayodhya is one of must visit place for every tourist for its enrichment of religious, cultural and spiritual aspect. From economic point view the Ayodhya district has transformed like no one could ever imagine. Government has invested huge amount in construction of international airport which enhance the importance of the district; trains connectivity of Amrit Bharat trains is new superfast for passenger that focuses on comfort and less time consuming. Vande Bharat express train connects two important temples of Uttar Pradesh, that are Ayodhya-Shri Ram Janam Bhoomi with Gorakhpur-Gorakhnath temple. The construction of the Shri Ram Janam Bhoomi temple has already helped the increase in GDDP of the Ayodhya. The increase in number of tourists visiting the Ayodhya district create new job opportunities for locals. There are numbers of new businesses cultivated like a sprout near the temple, they offer tourist a variety of native handicrafts and sell souvenir for gift. This transformation shows a development priorities to work on Ayodhya not only because of its significance of cultural centre but as economic growth agenda for the state. Practically we can understand that the district was agrarian economy before the announcement of case of Shri Ram Janam Bhoomi but after it rapidly increasing as service sector. Before 2024, the Ayodhya's economic structure was low valued agricultural output, disguised rural unemployment, and less fiscal capacity. But after 2024, there is rapid change sector with primary to tertiary sector emerging as the pilot of output growth, employment absorption of disguised employment, and income generation. Public expenditure has been allocated for better transportation connectivity, planning the city, urban amenities, tourism infrastructure, and digital platforms has worked very important to shape the district productivity gain.

Ayodhya's cultural, religious and spiritual heritage are the main source that the government of district has chosen to include in its State Planning Strategy; they will include into the economy. The State uses the cultural Capital to revenue generating economic asset. Increase footfall of tourist need more accommodation, food demand, tourist guide and local vehicle (e-rikshaw). The direct tax collected from tourist is collected to government which reinvested into construction and maintenance of public infrastructure and social safety for the people forms a cyclical model of development leads to consistent with the socialist spiritualist welfare Principles.

The hybrid nature of infrastructural development shows that marker create its own surplus from tourism economics growth that actively participating in redevelopment through state involvement to support for more output income. Ayodhya district has investments in housing, transport, health services, sanitations and employment economics for tourists to provide better experience which meanwhile enhanced the local people also. The result shows that Ayodhya's transformation is both qualitative and quantitative shift in the state strategy for GDP collection.

Literature Review

The change in structure of regional economic is a fundamental topic of the study in development economics, as there is an exclusive body of literature that tell us about the transition form an agriculturally based economy to a service-based economy for various regions in the world. (Lewis, 1954; Kuznets, 1973). The traditional models of development economy tell us about change the shift of labour form low productivity agriculture sector towards high productivity construction and services sector which is taken by capital accumulation, technological progress, and from market upgradation. The studies have indicated that tourist economics growth can act like a catalyst which accelerate the process and give high output, specifically when cultural, spiritual and heritage assets play as endogenously factor of economic development (Wilkinson & Pratiwi, 2019). Tourism plays important role as an engine of economic transformation that has been statistically

documented in various sectors. International organizations such as the World Tourism Organization (UNWTO, 2022) and the World Bank (2021) provide general data that is showing the tourism contributes approx. 10% of global to GDP and supports nearly 1 in 10 jobs worldwide, enhancing the capacity to generate remarkable economic output and employment opportunities. It is important to understand that tourism sector multiplies the tend to be strong and focuses to service based economies, where expenditure divided into hospitality, transportation, retail, and parallel sectors (Archer & Fletcher, 1996). Also in Indian context, we can observe that pilgrimage tourism has constitutes unique important epicentre of tourism, blending cultural demand with consumption pattern, and which also give high fiscal revenue due to repetition visits with bulk of people and local consumption pattern (Reddy & Mishra, 2018). From District level study we can see India has used strategic investment in religious sites to upgrade their economic structure; not only from its domestic importance but it also works for internationally because of its cultural and heritage importance. Likewise, studies on Varanasi and Tirupati have shown numbers that significantly increases in service-sector employment and tax revenues following infrastructure upgrades and destination marketing (Narayan, 2017; Rao et al., 2020). We can also compare with Classical Keynesian multiplier theory, which tells us that public expenditure aggregate demand and increases income that leads to private saving and induces private investment (Keynes, 1936). The Concept of Spiritual Socialism, when linked with Ayodhya district show us on welfare economics, development economics and cultural economics. The revenue collected from tourism-based policies are reinvestment in public goods, social safety nets, and human capital development. The data shows that tax revenues collected from tourism are reinvested in education, health, and social protection which leads to measurable improvement in human development index and labour productivity (UNDP,2023). In Some of the South Asian Countries, there heritage cities give data that shows positive correlations between tourism growth rate and increase in per capita income, digital transactions, and reduction in underemployment (Singh & Gupta,2019). We study that change in structure of tourism can give utilize indicators like- Gross Regional Product growth rate, Sectoral employment changes, revenue multipliers, and fiscal balances (Dwyer et al., 2010). Data often shows that those regions which has diversified service sectors have potential to recover form adversity in agricultural and greater capacity for sustainable growth. In context for Ayodhya district, the data of tourism statistics (2024-2025) explain the record of tourist arrivals, with service-sector revenue increment and agriculture sector is expanding in local regional market which is as similar to other relative heritage tourism destination of India.

From the literature study for this paper, we can understand that firstly, tourism special pilgrimage tourism can play an important transformative economic role when it is combined with public expenditure and strategical Planning. Secondly, the revenue collected from the tourism when it is again invested into infrastructure and social capital can create a cycle for long term growth, employment generating opportunities, and welfare for the Society. This work focusses on providing statistical and theoretical information for the analysing of Ayodhya's economic transformation under the framework of Spiritual socialism.

Research Objectives-

- 1) To study the transformation of Ayodhya district's economy since 2024 by evaluating shift from agricultural sector to formal or informal service sector that increases per capita income and reduces underemployment.
- 2) To examine the GDDP growth of Ayodhya under the framework of Spiritual Socialism.
- 3) To evaluate the impact of state expenditure on infrastructure, tourism sector development, and fiscal multiplier.

- 4) To examine the impact of tourism on economic growth and fiscal outcome collective from it; Goods and Services Tax (GST) Collection and government revenue reinvestment to social infrastructure.
- 5) To assess the effectiveness of Spiritual Socialism as model of development, the capacity to change cultural heritage site into sustainable economic and social value-added growth.
- 6) To recommend some policy for regional development under growth with a Socialist Spiritual framework.

Research Methodology-

This research uses quantitative analysis of economic data collected for state and district database.

1. It examines the official data of state and district data to analyse the economic performance of Ayodhya. The data form Uttar Pradesh directorate of Economics and Statistics of their report (2024 and 2025). The report helps us to understand the Gross District Domestic Product GDDP and performance of another economic sector. Analysis of Goods and Service Tax (GST) and Stamp Duty collection data provide form the State Tax Department.
2. Analysis of Periodic Labour Force Survey (PLFS) data and number of business registrations under the MSME (Micro, Small, and Medium Enterprises) category in Ayodhya.
3. Monitoring of Unified Payments Interface (UPI) data to evaluate the velocity of money (Transaction Volume) in local markets and its travel from multiple hand.

Data analysis and conclusion of sectoral growth and GDDP- The Ayodhya district's contribution to State Gross Domestic Product has seen hike.

Sector	Growth Rate (2023-2024) in %	Growth (2025-2026) in %
Agriculture and Allied	4.2	3.8
Construction and Infrastructure	12.5	28.4
Hospitality and Tourism	18.0	142.0
Transportation	7.6	55.0

Employment and Human Capital Investment- There has been an increase in formal employment with in the Ayodhya district due to shift in the economy's focus to the services provider sector.

- Job Creation- 2024 and 2025, over 200,000 direct and indirect jobs were created in the Ayodhya district, mainly focusing in the hospitality and tourism sector.
- Micro, Small and Medium Enterprises Growth- There is an increase in number of small business owner cultivated near the Ram Janam Bhoomi Temple. The massive increase of over 300% in 2025 compared to the fiscal year of 2021-2023, indicating a fast growth for mini, small and medium-scale enterprises.
- Wage Growth- The daily wages of skilled and semi-skilled service worker serving in temple or other tourism related jobs have seen rise by 65%.

Fiscal Impact and Public Expenditure

The revenue collected through the Socialism-spiritual economy is directly contributing towards the district's welfare budget of the Ayodhya district.

- Goods and Service Tax Revenue- Ayodhya has witnessed approximately 220% increase in GST collections in the first four month of 2025 only.
- Infrastructure Development- The Government has allocated in Ayodhya district over Rs. 85,000 crores for the Master Plan 2031, and already invested Rs. 32,000 crores in construction of roads, digital connectivity, modification of railways and development of international airport.
- Welfare Reinvestment- A large important portion of the Shri Ram Janam Bhoomi temple related revenue collect and tax surplus is being reinvested in used to fund the new medical college (Rajarshi Dashrath Autonomous State Medical College, Ayodhya) and upgradation of over 150+ primary schools in the rural areas of the Ayodhya district.

Conclusion

The Collected data give us evidence that the Spiritual Socialism in the city of Ayodhya is a successful model for regional development. Within a time period of 2 years, the district has shifted form an agriculturally based economy to modern growth of high velocity of service-based economy. This has happened due to the increase in amount of capital, which not only increased from the wealth of the district but also collected with the diversification in various sector of the economy.

In addition, the Ayodhya district has become an epicentre for tourist activity, with all visitor numbers to the region are increasing, currently the number are at around 150 million per year. With increase in tourist activity, there has been increase in per capita income, making Ayodhya district an important contributor to the economic welfare of the state of Uttar Pradesh by contributing in state's GDP. The successful combination of cultural capital and into economic growth provides a great model of other heritage rich regions in India.

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