

OPEN ACCESS

Volume: 13

Special Issue: 2

Month: January

Year: 2026

E-ISSN: 2582-0397

P-ISSN: 2321-788X

Citation:
Krishnan, Sindhu, and
Vennilaa Shree S. "Temple
Economy: Unveiling the
Major Contribution to Tamil
Nadu's Economy." *Shanlax
International Journal of Arts,
Science and Humanities*,
vol. 13, no. 2, 2026,
pp. 217–23.

DOI:
<https://doi.org/10.34293/sijash.v13iS2-i4-Jan.10606>

Temple Economy: Unveiling the Major Contribution to Tamil Nadu's Economy

Sindhu Krishnan

Research Scholar

VELS Institute of Science, Technology & Advanced Studies (VISTAS)

Dr. S. Vennilaa Shree

Professor & Head Department of Commerce

VELS Institute of Science, Technology & Advanced Studies (VISTAS)

Abstract

Tamil Nadu has temples that not only serve as a source of spiritual heritage and cultural heritage but also an important source of regional economy. The temple economy concept emphasizes the large net of economic process created during temple-related tourism, religious festivals, donation, employment, and local trade. This paper will focus on the economic value of temples to the economy of Tamil Nadu, in terms of how it has contributed to the livelihoods, small-scale business, cultural tourism and local markets. Large pilgrimage hubs have millions of followers each year and this has generated accommodation, transport, handicraft, food services, and other supporting industries. Another aspect that is brought to light through the research is how the seasonal economic activity is triggered by temple festivals and gives artisans, vendors, priests, musicians, and local communities a chance to earn revenue. The research examines reports and government tourism statistics and existing literature using a combination of a qualitative and secondary data-based approach to comprehend the magnitude and role of temple-based tourism-led economic activity in the state. According to the results, temples are perceived to be socio-economic centers that support the primeval occupations, promote the culture and indirectly lead to the development of the region. The analytical treatise on the interrelationship between religion, culture and commerce, however, highlights the significance of considering temple ecosystems as important sources in the economic environment of Tamil Nadu. At the end of the paper, a recommendation is made that strategic policy support, sustainable tourism management, and community participation could subsequently be continued to maximize the positive economic contribution of temples without harming their cultural and spiritual values.

Keywords: Temple Economy, Tamil Nadu, Religious Tourism, Pilgrimage Economy, Cultural Heritage, Local Livelihoods, Temple Festivals, Economic Development

Introduction

Temples have been instrumental in the development of the socio-economic Indian environment. In addition to their religious and spiritual value, temples serve as bright economic hubs with economic impacts on the livelihoods of the local areas, tourism, trade, as well as the development of the regions. The temple economy is the concept of economic activities generated by temples with the aid of donations, religious tourism, festivals, employment, and the sale of ritual goods and services. India is believed to have two million temples and the temples have attracted millions of followers every year resulting in a vast ecosystem of economic Transactions.

Digital Innovation and Transformation with Emerging Trends for Sustainable Development

These temples also make a profit by offerings, donations, entry fees, accommodation services and services run by the temples. There is also a big informal sector which includes flower sellers, artisans, transport operators and small vendors who rely on the activities of the temple to make a living. As per the records provided by the National Sample Survey Office (NSSO), the temple economy of India is approximated to be of about 3.02 lakh crore (approximately 40 billion) with a contribution of about 2.32 percent of the Indian GDP. Religious travel on its own produces very huge economic activity where pilgrims use their money to travel, stay, eat and buy ritual items. The Tamil Nadu is among the major temple areas in India with a rich temple heritage and pilgrimage routes. Madurai, Kanchipuram, Rameswaram, Chidambaram, and Thanjavur are spiritual centres and besides, they are flourishing economic centres. These temples receive millions of local and foreign tourist visits annually with millions of dollars in revenue to the local businesses and help in employment to the area in different sectors such as hospitality and handicraft, transport, and tourism. Economic activities are also boosted by temple festivals, processions and cultural events as they provide an attraction to pilgrims and tourists. The combination of temples with local market, cultural practices and development of tourism facilities has developed a special economic ecosystem that has been playing a significant role in the development of the region. Therefore, the temple economy is not only a religious phenomenon but a complicated socio-economic structure that is able to affect generating employment, tourism development, small business development and cultural sustainability. The relationship is critical in understanding among policy makers, economists and scholars who want to consider other models of community based economic development.

Literature Review

A number of scholars and researchers have looked into the correlation between temples and economic development in India.

According to Bindhani and Mohanty, (2024), it can be defined as temple economics which refers to the economic activities produced by the temples, such as pilgrimage tourism, donations, religious services, and related commercial activities. In their research, they have pointed out that temples are economic drivers that boost the local economies by creating jobs and bringing in tourism.

According to the study conducted by Shetty (2024), temples contribute to GDP and job creation by suggesting that they provide a significant amount of revenue in the form of offerings and donations and various professions, including priests, artisans, traders, and service providers.

Talbot (1991) and Ramesh (2020) emphasize the importance of the temples in history as economic organizations. The temples in ancient India possessed huge pieces of land, controlled agricultural output, as well as, redistributed wealth by undertaking social welfare services.

According to economic studies, religious tourism is part and parcel of the travel industry in India. The Ministry of Tourism reports that domestic tourists in India have attended religious sites in large numbers of more than 1.4 billion because of which the tourism industry has earned massive revenue.

It is also research that highlights the multiplier effect of the economic activities of the temples. People visiting temples use money to rent a room, travel, eat, buy souvenirs and ritual materials like flowers, lamps and incense. Through this expenditure, the economy is stimulated within the areas where it is incurred, and it sustains small scale industries.

Moreover, temple towns like Varanasi, Tirupati, and Madurai show how religious centers could be able to support whole cities in terms of their economies. The cities are dependent on pilgrimage tourism which helps the local businesses and jobs.

Although the academic community is increasingly devoted to the study of the economics of temples, there has been very little research on the specific economic role of temples in regional economies like Tamil Nadu and therefore the current paper is important enough to be further studied.

Objectives of the Study

- To investigate the idea and design of the temple economy in India.
- To examine how temples were used as economic centers of local livelihood.
- To determine the correlation between the India GDP and temple revenue.
- To study the economic impact of the temples in Tamil Nadu.
- To learn the issues and opportunities that were related to the temple economy.

Research Methodology

I have used available economic reports, government publications and organization reports such as the National Sample Survey Office (NSSO) to get quantitative information on the temple revenues, economic contributions as well as the GDP impact. Consult past studies, policy documents.

Temples as Economic Hubs

Effect on Economic Development (Multiplier Effect) on the local market. Temples serve as drivers of the local economies because they bring about demand of goods and services across the regions. The temple economic influence is multidimensional, and it affects diversified factors of local economic condition and life in the community.

Local Economic Stimulation Local economic stimulus packages were developed to deal with the issue of low economic growth, post-Second World War (Ferner 2013). Temples also serve as major economic hubs, which attract pilgrims and other tourists in various parts of the world. High visitor numbers are an incentive to services including hotels, restaurants, transport and retail trade. The local suppliers, flower sellers, food stands, and artisans are the beneficiaries of the regular pilgrims. Such operations enhance development of small industries and informal sectors, which lead to the development of local economy.

Development of Revenue through Tourism

Temple tourism helps in generating revenue directly from the locals. Pilgrims who visit temples use finances on housing, transportation, foodstuffs and religion offers. This expenditure favors the local firms and spurs the creation of tourism facilities. Madurai, Tiruvannamalai and Rameswaram are some of the major temple towns in the state of Tamil Nadu that have a developed tourism economy due to the sustained inflow of pilgrims. The revenue earned in tourism also promotes the investment of roads, transportation and hospitality.

Conservation of Cultural Heritage. Temples are very important in conserving the local culture and traditions. Most temples are places of classical music, dancing, sculpture, and traditional craftsmanship. Temple related economic activities encourage native artistry and help artisan craftsmen to make traditional items like bronze idols, temple jewelry and crafts. These cultural practices do not only preserve traditional systems of knowledge but also enhance cultural identity and pride of local communities.

Employment Generation The activities surrounding the temples provide the local people with direct and indirect jobs. Direct jobs encompass priests, administrators of the temple, maintenance personnel, and security personnel. There are also the indirect employment opportunities created by the tourism related services like guides, drivers, vendors and craftsmen. Raised needs of these services lead to the development of the informal sector and support the livelihood of many families.

Community Support and Social Welfare

Most temples are also involved in charitable and social welfare work as a part of their religious work. Educational facilities, health care facilities, food distribution programs, social welfare programs are some of the activities that temple funds are commonly used to support. These projects enhance the well-being of the surrounding societies and enhance social integrity amongst the citizens.

Building up Public Infrastructure

Government is also keen on the area due to the existence of major temples in the vicinity that spur development of infrastructures within that vicinity. The infrastructures such as roads, transport, sanitation and accommodation amenities are usually enhanced to suit the growing tourist population. This kind of development is an advantage to the pilgrims as well as the locals, and it enhances the development of the entire region.

Pilgrimage Tourism and Economic Implication

Temple economics is one of the most important elements of pilgrimage tourism. It is the movement of the religious people of various regions and countries to see the holy religious places. This type of tourism has significant influence in economic environment of temple towns. Pilgrimage tourism in Tamil Nadu is one of the tourism industries that have made significant contribution to the tourism industry in the state and also promote a large variety of economic activities in the state.

Regional Economic activity Driver. Pilgrimage tourism is a strong economic activity to temple towns. Religious tourists use their money to travel to temples, stay, eat and make their religious offerings. This expenditure creates employment to the local companies and boosts the local economy. To most of the temple towns in Tamil Nadu, pilgrimage tourism is the major economic activity.

Growth of Local Business. This is because of the steady flow of pilgrims into the countries, and this boosts the growth of the local businesses. There are usually the increased demands of hotels, restaurants, and transport services during the peak pilgrimage seasons and during the major festivals of temples. Souvenirs, religious objects and traditional handicrafts are also sold to pilgrims thus stimulating development of small business and entrepreneurial activities in the area.

Livelihood Creation Pilgrimage: Tourism helps in creating jobs in various sectors. The locals usually take jobs as tour guides, drivers, vendors, artisans, and other service providers. These prospects assist in providing job opportunities and enhance the level of income in the temple towns.

Strengthening of Infrastructure Facilities: The rising pilgrims result in the need to develop better infrastructure. The development of roads, accommodation facilities, sanitation facilities, and the like, as well as the development of the public transportation system, is often invested by the local governments and authorities of the temples. Not only do such improvements increase the experience of pilgrims, but they also aid in the development of the region in general.

Cultural Interaction should be encouraged. Pilgrimage tourism promotes culture and socialization too. Religionists across borders and cultural inclinations unite at places of worship, and this brings about cross-cultural experiences. This contact reinforces the national unity and encourages respect to cultural diversity.

NSSO Survey Results about Tamil Nadu Temple Economy. The National Sample Survey Office (NSSO) offers some helpful findings concerning the economic activities of the religious institutions and pilgrimage tourism in India. The findings, even though it is the broad area covered by the NSSO data, are very relevant to the state of Tamil Nadu, which is among the forefront states in economic activities based on religious tourism and temples. NSSO estimates that the temple economy in India is estimated to have a value of about 3.02 lakh crore, which speaks of the large financial magnitude of religious establishments and other practices. This economy ties together temple donations, pilgrim expenditure, tourism services and domestic trade related to religious locations. NSSO data also indicate that, the temple economy is making contributions of about 2.32 percent to the Gross Domestic Product (GDP) of India through different aspects like the revenue of the temple in terms of tourism, creation of jobs and consumption expenditure of the pilgrims. States that had many prominent temples such as Tamil Nadu are contributing significantly in this contribution. The Tamil Nadu state has one of the largest concentrations of historic temples in India, where the Hindu Religious and Charitable Endowments (HR&CE) Department manages over 44,000 temples. These temples receive thousands of pilgrims annually and thus, the state has become one of the most significant religious tourism centers.

The NSSO results also indicate that the estimation of the amount spent on religious tourism in India is 4.74 lakh crore per annum. A significant portion of this spending is made in those states where pilgrimage sites like Tamil Nadu are located. Visitors to temple towns invest in transportation, lodging, food services, and religious gifts in addition to local handicrafts and thereby boost the economy of the region. The other significant observation by NSSO surveys is that most of the jobs created by temple economies fall under the informal sector. In Tamil Nadu thousands of people are entirely dependent upon the temple-related activities and they include:

- flower vendors
- prasadam sellers
- artisans and craftsmen
- priests and musicians of the temple.
- transport operators
- minor merchants and food sellers.

The economic activity is even aggravated by temple festivals which are attended in large numbers by devotees and tourists. The Chithirai Festival of Madurai, the Karthigai Deepam of Tiruvannamalai and Panguni Uthiram of Palani also create seasonal jobs and strengthen the local economy. These observations suggest that Tamil Nadu temples are also economic hubs, which support livelihoods, promote tourism and develop the regions. The NSSO data thus bring out the greater economic role of the temple ecosystems and their importance to both the state and the national economy.

Annual Revenue Report of Various Temples Across Tamilnadu

Several major temples generate substantial annual revenue through donations, offerings, and temple services.

S. No	Temple Name	Location	Estimated Annual Revenue (₹ Crore)	Major Sources of Income
1	Meenakshi Amman Temple	Madurai	50 – 60	Hundi collections, special darshan tickets, temple festivals
2	Palani Dhandayuthapani Temple	Dindigul District	100 – 150	Donations, rope car service, sale of Panchamirtham prasadam
3	Ramanathaswamy Temple	Rameswaram	40 – 50	Ritual services, pilgrim donations, temple offerings
4	Arunachaleswarar Temple	Tiruvannamalai	40 – 60	Girivalam pilgrims, festival donations, special poojas
5	Chidambaram Nataraja Temple	Chidambaram	25 – 35	Offerings, temple rituals, donations
6	Sri Ranganathaswamy Temple	Srirangam (Tiruchirappalli)	70 – 80	Pilgrim donations, festival offerings, temple services
7	Ekambareswarar Temple	Kanchipuram	20 – 30	Temple rituals, offerings, religious tourism
8	Kapaleeshwarar Temple	Mylapore, Chennai	15 – 25	Donations, festival offerings, temple services
9	Thillai Kali Temple	Chidambaram	10 – 15	Devotee donations and temple rituals
10	Brihadisvara Temple	Thanjavur	10 – 20	Tourism revenue, offerings, heritage visitors

Source: Tamil Nadu Hindu Religious and Charitable Endowments (HR&CE) Department reports, temple financial disclosures, and tourism economic studies.

Correlation of Temple Revenue and GDP of India.

The dependence between temple revenue and the Gross Domestic Product (GDP) of India is one of the indications of the interrelationship of religion, culture and economic activity. The Indian temples are not only institutions of spirituality but also economic exchanges, tourism, and social welfare. Temples create a major economic potential that comes in terms of tourism, employment, infrastructure growth, and local trade. Due to this fact, the revenue of the temples is an indicator and contributor of the overall economic development of the country. Temple-based economic activities have been estimated to contribute about 2.3-3 percent of GDP in India, and therefore the trend in temple economies and religious tourism in the national economy.

Tourism Revenue

One of the biggest contributors of the temple revenue and the economy is pilgrimage tourism. Every year, the number of devotees who visit the temples of India reaches millions and they spend money on their way to the temple, the place to stay, food services and local shopping. This arrival of pilgrims boosts the hospitality and tourism industry hence the growth of the GDP.

Employment Generation

Temple economies generate both indirect and direct jobs. Temples also benefit priests, temple employees, administrative employees, artisans, flower sellers, transport employees, guides and hospitality employees. The high population in these jobs means that income is generated and the economy of any place is stable.

Building the Infrastructure

The development of temple tourism can frequently result in the major investments in the development of the infrastructure. Roads, railway linkages, airports, temple routes, sanitation facilities and accommodation services are some of these infrastructures, which governments fund in order to accommodate the rising number of pilgrims. Such developments enhance the connectivity of the region and enhance additional economic activity.

Local Market Growth

Local markets are stimulated through the realization of temple visits. The pilgrims buy the religious artifacts, handicrafts, souvenirs, foodstuff, etc. of the local vendors and smaller enterprises. This expenditure builds up local economies, encourages small-scale entrepreneurship as well as supplementing traditional crafts and cultural industries.

Economical and Cultural Processes

The Temple earnings are also affected by the broader economies and also the culture. With increased disposable income during the time of economic prosperity, the donations to temples tend to increase. Concurrently, well-established cultural and religious beliefs provide that the contributions to the temples do not decrease even in economic downturns. The linkage between the temple revenue and the GDP of India is further influenced by government policies, tax incentives on charitable giving and the economic conditions in a given region. Altogether, temple economies reveal that cultural institutions may contribute to economic development greatly by facilitating tourism, creating jobs, boosting the investment in infrastructures, and supporting the local markets.

The temple economy in India although playing a major role in the economy, has several structural and administration issues. On the one hand, temples create job opportunities, tourism revenue, and economic development of the area, however, the lack of effective managing systems, insufficiency of infrastructure, and the environmental issues may interfere with the full economic potential. These challenges need to be addressed so that there will be sustainable development and proper use of resources in the temples.

Governance Issues

The issue of governance and administration is one of the biggest problems of the temple economy. There are instances where the mismanagement, transparency and ineffective financial practices come in the way of the proper use of the temple revenues. The poor accountability system can result in fund misappropriation, thus reducing the magnitude of the positive impact that the temple revenue can have on the local community and development of the area.

Infrastructure Limitation

Several temple towns receive large numbers of pilgrims particularly during festivals and high seasons of pilgrimage. Nevertheless, some of these regions do not have proper infrastructure like good transport systems, clean drinking water, and sanitation facilities. These restrictions cause congestion and inconvenience to the devotees besides a constrained opportunity to promote development by tourism.

Informal Employment

There is a large share of employment that temple economies create and this falls in the informal sector. Sellers of flowers and vendors, craftsmen, tour guides, and small traders frequently operate out of contract, without regular wages, and social security packages. Such informality subjects workers to economic insecurity and reduces the security of livelihood in the long term.

Environmental Concerns

Intensive events like the pilgrims visiting temple towns may cause environmental problems like littering, water contamination and overcrowding of the natural ecosystems. The lack of appropriate waste management systems and environmental planning may contribute to these concerns, not only to the sustainability of temple tourism but also the living standard of the people who live there.

Lack of Economic Planning

In most areas, the temple economies operated without any form of economic planning and any form of coordinated policy. This lack of long-term development plans can make the temple towns fail to exploit their economic potential completely. The incorporation of temple tourism into the planning of the region development may contribute to the embrace of both economic and sustainability benefits as well as the effective use of the available resources.

The temple economy provides great prospects of sustainable economic and social development. Through sound planning, good governance and incorporating the tourism and community programmes, the activities surrounding the temples can have an invaluable impact on the growth of the region, retention of the culture, and social good. Exploiting these opportunities can assist in bringing transformation to these temple towns into a bustling creative hub of economic and cultural activity.

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