

TOURISM POLICIES AND TOURISM DEVELOPMENT IN INDIA

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ABSTRACT

Nevertheless, tourism has emerged as a prominent sector of the world economy. It has employed a sizeable workforce in global trade and commerce. It has been making a ground-breaking impact upon global economy. It has rightly been recognized as the most important export industry in the world. The comprehensive character of this industry has been instrumental to economic development.

This research paper examines the upcoming industry from all-pervasive angles. The paper has been classified as meaningful sub-units:(i) Meaning ,Scope and Nature of Tourism Industry;(ii)State of India's Tourism Industry:A Review ;(iii) A Low capital, Labour

Intensive Industry with Optimal Foreign Exchange; (iv)Tourism industry : An Authoritative Means of Economic and Social change.(v) Multiple Layers in Employment Generation and Investment: A Positive Move towards Economic Restructuring and Balance of Payments; (vi) Heritage Conservation: A Catalyzing Role of Tourism Industry;(vii)

The research carried-out and history constructed there-upon has been based on nationalist and structural historiographies.If 'nationalist historiography' examines historical and contemporary anecdotes within a broader frame-work of 'India in the Contemporary World', 'structural historiography' is cautious enough to evaluate each relevant structural component of history from comprehensive and formative dimensions without digressing from the basic principles of Historian's Craft. Of course, the pertinent literary and archaeological sources are chosen cautiously from among abundantly available sources.

KEY WORDS: Tourism Industry, Structural Historiography, Conservation, Restructuring, Historian's Craft

INTRODUCTION

Touring for amusement and knowledge has been an instinctive urge man has always had since time immemorial. In a larger sense, explorations of new lands and space up above by man have, beyond doubt, modernized his sensibilities towards the world outside. This inherent thirst has been propelling the civilization towards neo-modernist growth and development. In relatively progressive world,tourism has been considered an integral part of economic apparatus of each country. This trend has very much fostered a new kind of thinking at policy making level.

MEANING, SCOPE AND NATURE OF TOURISM INDUSTRY

The derivation of the word 'tourism' originated from a combination of the Latin *tornare* and the Greek *tornos*, which mean a lathe or circle. In modern English, with the suffix -ism (an action or process), the meaning of the word tourism became the action of movement in a circle. We can imagine a round-trip from this meaning: one leaves home for a particular destination, then returns home again. Likewise, by adding the suffix -ist (a person who performs an action), we can derive the word 'tourist', the person who takes such a trip. The perception of tourism as a new human activity generating multiple effects was slowly formed but the first attempts to define it emerged in the transition period from the 19th to the 20th century. "...Before that, philosophers – Montaigne (1581), Locke (1679) or Francis Bacon (1612) emphasised the educational and instructive elements of travel; much later, writers drew attention to its economic effects. This is the case of the French author Stendhal (1830), considered to have coined the word 'touriste', or the Portuguese writer Herculano (1838) who almost at the same time highlighted the gains the country received due to the visits from foreigners who came to enjoy the landscapes or the heritage. For quite a long time, tourists were 'the English travelers who journeyed to France, Italy or Switzerland' merely for purposes of instruction, curiosity and relaxation, but as travelling expanded to include other nationalities and other purposes, two profound changes took place: journeys were no longer merely wandering nomadic activities but gained a sedentary nature as well, giving rise to the creation of tourist destinations as organized spaces with the purpose of attracting and receiving temporary visitors; and the growing record of motives for travelling (rest, health, amusement) increased the number of travelers who also came to be considered tourists."(1)

The first official definition of 'tourist' could be traced in 1937 in the proceedings of the League of Nations (LON) in the process of establishing comparisons in regard to international statistics. To this end, the term 'tourist' was then applied to '...any person travelling for a period of twenty-four hours or more in a country other than that where he or she usually resides.' To facilitate the concept's applicability, the LON's Council decided to list the categories of people considered to be tourists and those that were not (IUOTO, 1973), but did not set any maximum limit for the duration of the journey. Years later, the IUOTO recommended changes to the previous definition, among which the exclusion of 'excursionists' and of 'transit travellers' from the term 'tourist'. The Statistical Commission of the UN, which replaced the League of Nations, decided in 1953 to introduce the term 'visitor' with the following definition: 'non-resident intending to remain for a period of one year or less without exercising an occupation remunerated' and established twelve months as maximum limit to the stay duration. The very following year, the United Nations Convention on Customs Facilities for Touring provided a definition of tourist which was different from the previous one. It considered a tourist to be '...any person who enters the territory of a contracting State other than that in which the person normally resides and remains there for not less than twenty-four hours and not more than six months, as long as that journey is due to a legitimate non-immigrant motive such as tourism, recreation, sports, health, family reasons, study, religious pilgrimages or business'.

Later, in 1963, the United Nations Conference on Tourism and International Travel held in Rome, adopted the term 'visitor'. Emphasizing that it is meant for statistical purposes, this body submits that the term '...describes any person visiting a country other than that in which he has his usual place of residence, for any purpose other than following an occupation remunerated there'. This text adds that this definition covers two categories of visitors: 'tourist' and 'excursionist' (IUOTO, 1963). This definition came to be accepted by the UN Statistical Commission in 1968, but allowed each country to decide how to use the category 'excursionist' or 'day visitor'. However, the United Nations Conference on Trade and Development (UNCTAD) issued a series of Directives regarding the establishment of tourism statistics, which were published in 1971. From then on, the definitions recommended by the IUOTO were used; In

them the term 'visitor' kept the meaning given to it in 1963 with its subdivisions: 'Tourists': visitors who stay for over twenty-four hours or who spend at least one night at an accommodation establishment in the country visited and whose travel purposes may be grouped into (i) leisure (recreation, holidays, health, study, religion and sports); and (ii) business, family, mission, meeting. 'Excursionists or day visitors' are visitors who remain under twenty-four hours in the visited country or who do not stay over night at an accommodation establishment.

In 1983, considering that these definitions referred only to international tourism, the World Tourism Organization (WTO), which by then had taken the place of the IUOTO, started integrating 'national visitors', in other words domestic tourism, into the definition of tourism. In the end, in 1993, the UN Statistical Commission adopted the definition which has been used since then, according to which the term 'visitor' is the basic concept of the whole tourism statistical system, divided into the categories of 'tourists' and 'day visitors', with the following meanings (United Nations, 1994): Visitor is any person travelling to a place other than that of his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited; Tourists: visitors who stay at least one night in a collective or private accommodation in the place/country visited; Same-day visitors: visitors who do not spend the night in a collective or private accommodation in the place/country visited. This last definition constitutes the apex of a long fifty-six year period in the evolution of the concept of tourist, and determines an economic and social reality of a very different nature and scope than that which guided the original concept. Due to the change in concept, tourism now comprehends professions, companies and activities which formerly lay outside it, and seeks to correspond to '...the changes in nature and significance of tourism worldwide and its potential for future growth.'

One of the older approaches to the concept of tourism, in a holistic manner, comes from Leiper (1979), who based on the identification of the elements that comprehend the touristic system, proposes the following definition: '...It is the system involving the discretionary travel and temporary stay of persons away from their usual place of residence for one or more nights, excepting tours for the primary purpose of earning remuneration from points en route. The elements of the system are tourists, generating regions, transit routes, destination regions and a tourist industry.' Some years later McIntosh (1995) proposed a definition, '...tourism is the sum of phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors'. It is however important to mention, finally, the 'official' concept adopted by the UNWTO (1994), which is the most commonly used today, according to which '...tourism comprises the activities of persons travelling to and staying in places outside their usual environment, for not more than one consecutive year, for leisure, business and other purposes.'

Tourism and regional development in rural and peripheral areas are inextricably linked due, at least in part, "... to their omnipresence in the rhetoric of authorities from the local level right through to the supra-national level. Saarinen identified three drivers behind tourism-related regional development in Northern Europe: the project-driven EU policy; the growing trend for nature-based tourism; and, the real or perceived lack of alternatives to tourism. While the notion of tourism as a panacea for rural and peripheral areas has been debunked by researchers and by the experience of many communities, tourism remains an important policy tool dedicated to the change, development and reconstruction of the social and physical environment. It is the growing awareness of the economic role of tourism which has made it a social and political issue even if the economic contribution is unevenly distributed. What is clear is that tourism does have a local economic impact and that for rural and peripheral regions it is still generally welcomed as part of a diversified economy." (2)

"...Tourism in India has seen exponential growth in the recent years. India is one of the nearly all

preferred destinations for both overseas and domestic travelers. Tourism enables the international traveler to understand and experience India's cultural diversity first hand. According to authorized estimates the Indian tourism industry has out performed the global tourism industry in terms of growth in the volume of foreign tourists as well as in terms of revenue.”(3) According to World Travel and Tourism Council (WTTC), “...travel and tourism one of the largest and most dynamic industries of today’s global economy. It accounts for US\$6 trillion, or 9%, of global gross domestic product and it supports 260 million jobs worldwide, either directly or indirectly. That’s almost 1 in 12 of all jobs on the planet.’ Tourism is a complex industrial system, a major employer and generator of revenues.”(4) Under such circumstances, with the pressures of climatic change, tourism cannot be viewed in isolation, but tourism development needs to be an integral part of wider economic, social and environmental development strategies. “...This can be exemplified in the much-quoted role of place marketing, of which tourism is just one part, which should have the power to encourage ‘livability, investibility and visitability’, and thereby emphasizing tourism’s integrative role with other aspects of socio-economic development. Tourism should assist in bringing sustainability into mainstream development policy. Geographers would appear to be well positioned to lead both of these interrelated processes. Unfortunately, the reality is that sustainability ideals receive lower priority from decision makers in times (and places) of economic difficulty. Therefore, the well-known mantras need to be emphasized and repeated to decision-makers:(i)sustainable development must be seen to be economically rewarding.In particular, businesses need to be convinced of the financial and ethical rewards of sustainable behaviour; and (ii) education and training need to emphasize holistic thinking.”(5)

STATE OF INDIA’S TOURISM INDUSTRY: A REVIEW

Travel and Tourism is the largest service sector in India.“...It ranks 12 in South-east and Southern Asia.Its overall global rank is 52.The prevailing business environment is indexed at 4.02 level. Safety and security is estimated at 3.82level.Health and hygiene is 4.32.Human Resource and labour market development is 4.03.India’s ICT readiness is 2.83.”(6) According to an estimate, contribution of tourism sector to GDP of India shall grow at the rate of 7.8% yearly during 2013-2024. “...The picture in India in general terms is good. But the terms of the global forecast, it is much lower than the other countries,like China which grew at 9.2% in 2013.During 2013, India generated Rs.1,100 billion from foreign visitors. The figure went – up by 2.9% in 2014.The number of international tourists’ arrival to India in 2014 was 7.36 million.It is likely to reach 13.43 by 2024.Expenditure by foreign tourists in India is expected to grow 4.3% every year to Rs.1740 billion in 2024.During 2013, the travel and tourism industry of India contributed Rs.2170 billion or 2% to the country’s GDP.This is expected to rise to Rs.4350 billion in 2024.”(7) Because of this potential reality, Bob Shacochis (1982) refers to India as ‘Gringolandia.’(8) Though wealthy countries of Europe, North America, and the Asia-Pacific Region account for the largest share of the World tourism expenditure, they actually don’t account for the largest share of tourists. Tourism, travel and leisure (TTL) are highly diverse and fragmented industries. Alliances and partnerships can be used as a framework providing small and medium-sized tourism enterprises (which do not possess adequate resources or organizational capabilities) with opportunities to operate in a competitive business environment.

TOURISM: A LOW CAPITAL, LABOUR INTENSIVE INDUSTRY WITH OPTIMAL FOREIGN EXCHANGE

Tourism is a process or industry that requires a large amount of labor to produce its goods or services.No direct employment multiplier in the case of tourism is fairly high and is estimated as 2.36 which implies that direct employment of one person in the tourism sector creates employment to 1.36 persons in other sectors of the economy due to linkages with tourism. These linkages are in the sectors like agriculture horticulture, poultry, handicrafts, construction, sports and alike. “...Additional demand

will thus generate more employment and further multiplier effect will come into force through successive chain of transactions. In fact investment in tourism has the potential to create more jobs compared to many other sectors and all the more at a lower level of investment. The labour or capital ratio is very favorable in tourism sector compared to many other industries with 47.5 jobs for a million rupee investment as has been seen in the survey conducted by the Ministry of Tourism (MoT), government of India”(9)

The contribution of the tourism sector to economic growth, job creation, domestic capacity-building and poverty reduction depends on the succeeding factors.“...(i) The extent to which the tourism sector is integrated into the national economy through backward and forward linkages with other sectors and integration into regional and global value chains; (ii) The extent to which revenue generated by tourism, including foreign exchange, is used to finance infrastructure development, support local enterprises, in particular small and medium-sized enterprises (SMEs), and to develop the skills and institutions needed to create a vibrant local economy; (iii) The policies and strategies adopted by governments, and whether they encourage increased domestic and foreign investment in tourism, transfer of technology and know-how; promote labour-intensive activities; and target regions where the poor live and work; (iv) National efforts to ensure that tourism activities are carried out sustainably and meet economic, social and environmental objectives.”(10)

Tourism, on its own, may not be the answer to the elimination of poverty, but it can make a significant contribution. “...The impact of tourism on poverty reduction, however, depends on a number of factors. It depends, for example, on the type of tourism, in particular, whether it is large-scale tourism or specialized or exclusive tourism. The former is highly likely to generate more employment, including for semi-skilled workers, and to provide opportunities for direct sales of goods and services to visitors by the poor or small enterprises. However, large-scale tourism could pose its own problems in terms of pressure on domestic resources, the environment and the preservation of cultural heritage; therefore, it requires a strategy to mitigate any possible negative impacts. The poverty reduction impact of tourism also depends on the level of out-of-pocket expenditure that occurs or is encouraged in a destination. This matters because a much higher proportion of discretionary spending usually reaches the poor (often through the informal economy) than of big-ticket items such as accommodation, tour operators and international travel. An ODI study shows that 25–50 per cent of tourist spending reaches the poor from expenditure in restaurants (especially where supplies are purchased locally), shopping (particularly handicrafts) and local transport and excursions.”(11)

“...Growing at a compounded annual growth rate (CAGR) of about 13 per cent, India's foreign exchange earnings from the tourism sector are likely to reach US \$26 billion in 2015 from the current level about \$20 billion. Growing at a CAGR of about seven per cent, the arrival of foreign tourists in India is likely to cross 80 lakh mark by 2015 from the current level of about 70 lakh," according to an analysis of inter national tourist receipts and foreign tourist arrival in India conducted by the Associated Chambers of Commerce and Industry of India.(12)

A Brief Statistical Analysis of Tourist Industry in India

Financial Year	Number of Foreign Tourists	Foreign Exchange Earnings in Crores(Rs.)	Foreign Exchange Earnings in (US \$) Millions	Number Domestic Tourist Visits
1991	1677508	4318	1861	66670303
1992	1867651	5951	2126	81455861
1993	1764830	6611	2124	105811696
1994	1886433	7129	2272	127118655
1995	2123683	8430	2583	136643600
1996	2287860	10046	2832	140119672
1997	2374094	10511	2889	159877208
1998	2358629	12150	2948	168196000
1999	2481928	12951	3009	190671034
2000	2649378	15626	3460	220106911
2001	2537282	15083	3198	236469599
2002	2384364	15064	3103	269598028
2003	2726214	20729	4463	309038335
2004	3457477	27944	6170	366267522
2005	3918610	33123	7493	392014270
2006	4447167	39025	8634	462321054
2007	5081504	44360	10729	526564478
2008	5282603	51294	11832	563034107
2009	5167699	53700	11136	668800482
2010	5775692	64889	14193	747703380
2011	6309222	77591	16564	850856640

India’s Tourism Industry –Recent Figures about Tourists’ Arrivals



Multiple Employment Generation and Investment: A Positive Move towards Economic Restructuring and Balance of Payments

The ILO definition of the tourism component of the sector includes specific segments of transport, travel agencies and tour operators. Hotels, catering and restaurants are all belong very much to the tourism oriented industries and are therefore subsumed under tourism. International tourism includes business and professional travel, visiting friends and relatives, religious travel, and health treatments of travellers crossing a border and spending one or more nights in the host country. “...A

conceptual frame work that links a comprehensive reconciliation of tourism data and macroeconomic analysis known as the Tourism Satellite Account (TSA) measures the contribution of tourism to a State's economy and its GDP." (13) The TSA also provides a complete picture of tourism's true impact in generating employment. "...The UNWTO notes that the TSA methodology was developed in association with the UN Statistics Division, Eurostat, OECD and the ILO. It is also an instrument to support countries in developing their own system of tourism statistics."(14) The ILO has been cooperating with those organizations in response to the mandate given by the Tripartite Meeting on the Effects of New Technologies on Employment and Working Conditions in the Hotels, Catering and Tourism Sector in 1997 aiming to provide a methodology for the production and presentation of tourism-relevant labour statistics to supplement the TSAs. "...Since 2007, the ILO has been cooperating with the UNWTO to better measure employment in tourism industries. Thus, a new chapter was written for the International Recommendations for Tourism Statistics 2008 (IRTS2008), namely Employment in the tourism industries."(15) The IRTS2008 provides a comprehensive methodological framework for the collection and compilation of tourism statistics in all countries irrespective of the development level of their statistical systems. Its primary audience is the staff of national statistical offices and national tourism administrations involved in the compilation of these statistics. Future works include "...the implementation of the joint ILO–UNWTO project on the Measurement of Employment and Decent Work in the Tourism Industries. || The project aims to finalize and publish the Technical Guide on Best Practices of Measuring Employment in the Tourism Industries and going further to test the applicability of the recommendations included in the guide in three countries with developed statistical systems and tourism services."(16)

Today the majority of countries are facing serious problems due to the deficit in the balance of payments. That is why the governments of these countries try to stimulate those sectors of the economy which can help in bringing foreign currency in the economy, which they need so as to reduce the negative balance of payments as much as possible. This is especially important for the developing countries, whose domestic currency is not very strong. For an example, "...to analyze the role that tourism plays on the balance of payments in the case of Albania, we had taken into consideration the data regarding this activity which were taken from INSTAT and Bank of Albania and include the 2004-2013 time period. Making a quantitative comparative analysis between the balance of payments indicators and indices representing the tourism sector, the number of tourists and tourist receipts, for various years, we reached the conclusions that, in Albania, firstly, the tourist sector has a positive impact on the balance of payments and secondly, exports of services in Albania are mostly supported in tourism exports. In 2012 compared with 2005 the number of tourists has increased by 370% and receipts account 'travel' have increased by 65%. As for 2013 compared with 2012 the number of tourists has been decreased by 7.4% and revenues account 'travel' has been declined by 3.3%."(17) India's current account deficit (CAD) at US\$ 8.2 billion (1.6 per cent of GDP) in Q2 of 2015-16 was lower than US\$ 10.9 billion (2.2 per cent of GDP) in Q2 of 2014-15 but increased from US\$ 6.1 billion (1.2 per cent of GDP) in the preceding quarter. India's Foreign Exchange Earnings (FEEs) between January-July 2015 were US\$ 11.41 billion compared to US\$ 11.06 billion in the same period last year. The growth rate in FEEs in rupee terms in January-July 2015 was 6.9 per cent. The tourism and hospitality sector is among the top 15 sectors in India to attract the highest foreign direct investment (FDI). During the period April 2000-May 2015, this sector attracted around US\$ 8.1 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

Heritage Conservation: A Catalyzing Role of Tourism Industry

Heritage tourism helps make historic preservation economically feasible by using historic structures and landscapes to attract and serve travelers. Heritage tourism can be an attractive economic revival strategy, especially as studies have time and again shown that heritage travelers stay longer and

spend more money than other kinds of travelers. As an added bonus, a good heritage tourism programme improves the quality of life for residents as well as serving visitors. The National Trust defines heritage tourism as ‘...traveling to experience the places, artifacts and activities that authentically represent the stories and people of the past,’ and heritage tourism can include cultural, historic and natural resources. Heritage tourism is “...a new combination of words to look at tourism planning more comprehensively. It affirms that we have identified significant elements of our places as important enough to preserve and to pass on to future generations. Heritage Tourism also denotes that we are dedicated to caring for these resources and sharing them. Heritage Tourism is an active, engaging, and ongoing process that involves community residents, organizations, civic institutions and governments working together.”(18)

The Archaeological Survey of India functioning under the auspices of Department of Culture, Ministry of Tourism and Culture, is the premier organization that devotes to the cause of archaeological research and protection of the cultural heritage of the nation. Maintenance of ancient monuments and archaeological sites and remains of national importance is the prime concern of the Archaeological Survey of India. Besides it regulates all archaeological activities in India as per the provisions of the Ancient Monuments and Archaeological Sites and Remains Act, 1958. It also regulates Antiquities and Art Treasure Act, 1972. It mainly undertakes structural conservation and chemical preservation of heritage sites in India.

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