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# Tourism Administration and Economic Development in India

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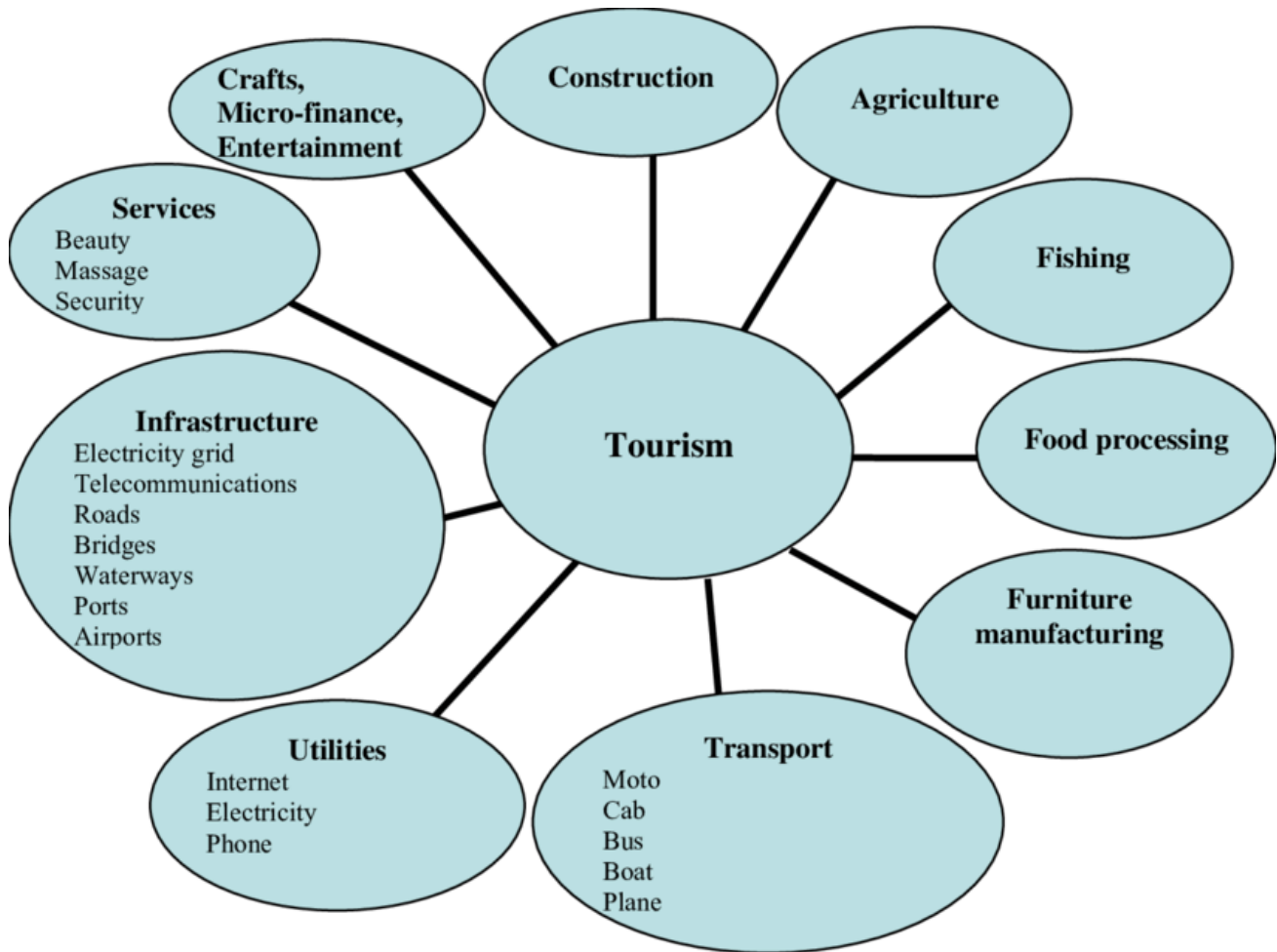
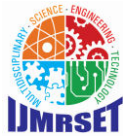
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**ABSTRACT:** Tourism and hospitality is an important parameter of socio-cultural identity and heritage of a country. In the era of globalization tourism and hospitality enhances the economic growth by job creation, source of foreign exchange and development of regions with potential for tourism. According to World Travel and Tourism Council, the contribution of travel and tourism in world GDP is estimated to increase from 9.5% of GDP in 2013 to 10.3% of GDP in 2024. Tourism and hospitality industry contributes 6.8% of GDP of India, contributes 7.7% in total employment generated and provides foreign exchange of US\$18.13 billion. The tourism and hospitality sector is the third largest source of foreign exchange for India. Market size of tourism and hospitality sector is estimated to increase from US\$ 122.1 billion in 2013 to US\$ 418.9 billion in 2022. The investment in tourism creates more jobs as compared to other sectors of economy. An investment of Rs. 10 lakh in tourism sector is estimated to create 89 jobs in hospitality industry as compared to 45 jobs in agriculture and 13 jobs in manufacturing sector. Hotel industry generates revenues of US\$ 400-500 billion annually. In India tourism and hospitality has emerged as a sunrise industry with rise in number of foreign tourists. The arrivals of foreign tourists in India have grown at a CAGR of 7.85% from 2005 to 2014.

**KEYWORDS:** tourism, economic, foreign, market, India, sector, development, administration, industry

## I. INTRODUCTION

Development of sector of tourism can be of great importance for less developed countries facing with problems like high unemployment rates, foreign exchange resource constraints, and a single product economy. In terms of the job creation power of this industry, it can be pointed that out of every 6 tourists entering the country creates a job opportunity for one person, so that both the unskilled workers and the skilled workers can they are working in this industry, so that the tourism industry generated 122.891 million jobs directly in 2018 its means that 3.8% of overall employment and this is predicted to increase by 2.2% in 2019 to 125.595 million means that 3.9% of total employment. This comprises employment through travel agents, hotels also airlines other passenger transport services excepting commuter services. It as well as includes, i.e., the restaurant activities as well as industries of leisure directly supported by tourists. It is worth mentioning that around the world, around 319 million people's jobs are supported by travel and tourism. Its shows that 10.0% of all employees or in every 10 jobs one job is belong to this industry worldwide. In the last 5 years, one out of every 5 new jobs created in the world has been by the tourism industry. World Travel & Tourism Council (WTTC) According to forecasts over the next decade, another 100 million new jobs will be created by the tourism industry.

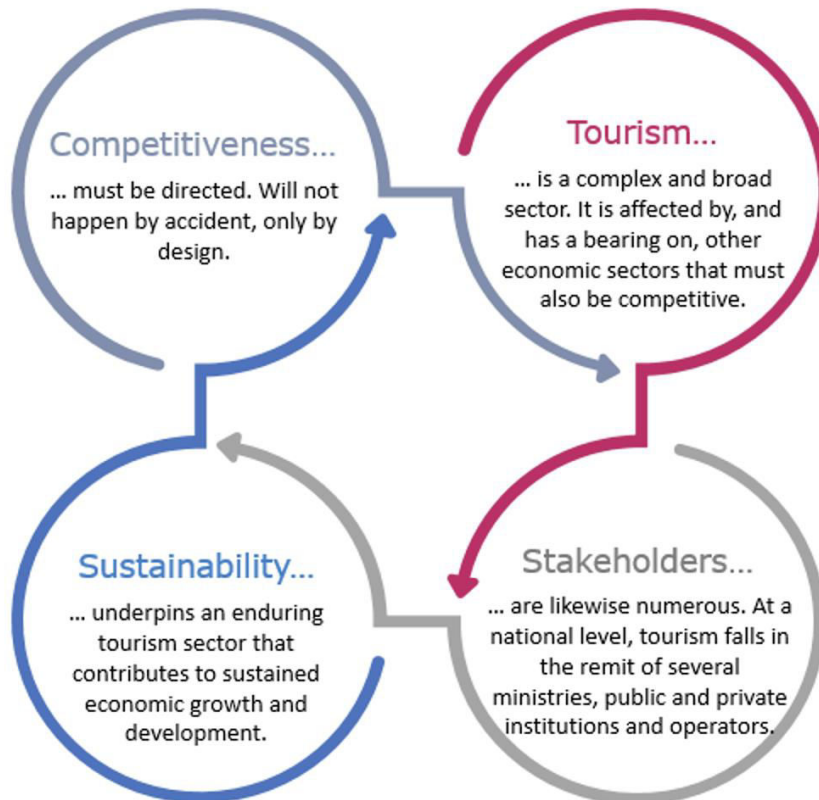


That is, in the next ten years, one out of every four new jobs has been created by the industry . We can say that the tourism industry has a positive impact on the employment of countries increasing foreign exchange earnings, promoting domestic industries, expanding international cooperation and, most importantly, improving people's livelihoods and many other economic growth factors .For this reason, it has changed the attitude of countries around the world and, as one of the most important motive forces of economic development, has an important place in government policy-making . India has a lot of interest among the tourists in the world and of course the officials in the field of tourism have a high income from this industry which is sure to attract more investment in the Indian tourism industry in the coming year .India was ranked 65th in the world in 2013 in tourism destinations, but in 2017 it was ranked 40th. Improving infrastructure and introducing India's thematic tourism (nature, religion, history, etc.) are among the reasons for the increase in foreign tourists' travel. [1,2]

**II. DISCUSSION**

The states Kerala, Goa, Gujarat etc. have been identified as Special Tourism Zones for the growth of the regions Bekel, Malabar and Wayanad regions in Kerala, Kevadia in Gujrat, Commenwealth village in Delhi, KundilManesar-Palwal in Haryana, Gorai-Manori-Uttan, Manandangarh and Sindhudurg in Maharashtra, Manali and Kullu in Himachal Pradesh. The implementation of Tourist Visa on Arrival system by the government contributed to the enormous growth rate of the foreign tourist arrivals to the country. This system enabled with Electronic Travel Authorisation (ETA) Scheme was launched on 27-11-2014.



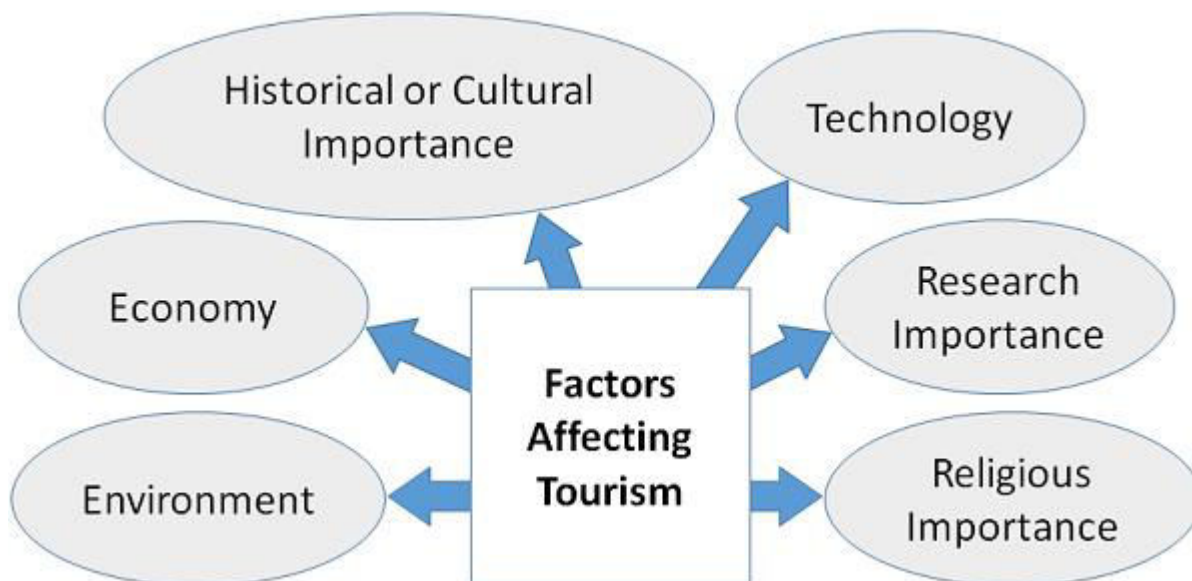


This is for citizens of 43 countries to travel to India for tourism for a short stay of 30 days. But the only condition is that their intention to visit India is for sight-seeing, recreation, casual visit to meet friends and relatives, casual business visit and short duration of medical treatment. In October 2013 an agreement was signed by the International Finance Corporation (World Bank Group), Ministry of Tourism, Government of India and the Departments of Tourism of the Governments of Bihar and Uttar Pradesh. This agreement was for the up gradation and quality of the services and products to the tourists in the “Buddhist Circuit” in India. As a result “Investing in the Buddhist Circuit” was launched on 17th July 2014. In the 2014- 15 Budget two new schemes were announced for the promotion of Tourism.

The development of tourism industry led to the development of the localities by increasing the income of the people as a result of the increase in the tourist expenditure. Tourism contributes to the development of other sectors of the economy and also encourages the cultural exchange in the locality. As a result the impacts created by tourism are varied. Generally they are divided into Economic Impacts, Social and Cultural Impacts and Environmental Impacts. The most important impact created by tourism is upon the economic condition of the economy. So the major economic impacts are increase in the employment opportunities, increase in investment, development and infrastructure spending, increase in tax revenue, create new business opportunities and contribute to income and standard of living of the people. The effects of tourism upon the economy can be classified into direct effects, indirect effects and induced effects. Direct effects are related directly with the visitor spending. On the other hand indirect effects are changes in the economy as result of the secondary rounds of purchases made in the direct spending. But the induced effects are related to the changes in the economy as a result of income received from the tourist expenditure (either directly or indirectly).[3,4]

### III. IMPLICATIONS

According to World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential. As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world's attractive destinations.



It is ranked the 14th best tourist destination for its natural resources and 24th for its cultural resources, with many World Heritage Sites, both natural and cultural, rich fauna, and strong creative industries in the country. India also bagged 37th rank for its air transport network. The India travel and tourism industry ranked 5th in the long-term (10-year) growth and is expected to be the second largest employer in the world by 2019. Moreover, India has been ranked the "best country brand for value-for-money". India made it to the list of "rising stars" or the countries that are likely to become major tourist destinations in the next five years, led by the United Arab Emirates, China, and Vietnam. The demand for travel and tourism in India is expected to grow by 8.2 per cent between 2010 and 2019 and will place India at the third position in the world. India's travel and tourism sector is expected to be the second largest employer in the world, employing 40,037,000 by 2019. Tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange besides giving a fillip to the country's overall economic and social development. Despite of several efforts by the central and state government the growth of tourism industry is not getting that status which actually Indian Tourism deserves. It is time that India should search and make efforts on global market to offer the best product mix and adopting right strategies for the promotion of tourism.[5,6]

#### IV. RESULTS

**Factors influencing India's tourist development include:**

##### **Climate and Weather Factors**

Because India is such a big nation, different climates exist in different parts of the country. This amazing resource in the form of varied climates has promoted tourism and drawn more tourists to the country. Even the climate varies from one region to the next, as well as from one domain to the next. The monsoons' massive impact adds to India's climatic variety while also giving a level of consistency. Lonavala, Mumbai's Mahabaleshwar, Kullu and Manali, Shillong, Kashmir, and other parts of India are known for their moderate and pleasant climates.

##### **Factors of historical and cultural significance**

A rising number of people visit India, particularly to learn about the country's historical and cultural links. They visit locations where significant cultural events, such as art festivals, music festivals, theatre, and other cultural activities, have occurred. Humans have long been fascinated by other countries, their people, and other regions. Many people's rising interest in architecture, acting, music, literature, folklore, art, foreign cultures, archaeology, and historical relics is only another element of their need to learn more.

##### **Religious and spiritual factors**

Visiting religious places has long been a motivator for people to travel. A large number of people visit religious and sacred sites each year. Kedarnath, Omkareshwar, Mahakaleshwar, Kashi Vishwanath, Gangotri, Yamunotri, Badrinath, Jagannath Puri, Tirupati, and other sacred places in India are among the most visited. The government should invest in



improving transportation, housing, roads, health and cleanliness, and other areas to promote religious tourism’s present growth.[7,8]



# पर्यटन मंत्रालय Ministry of Tourism

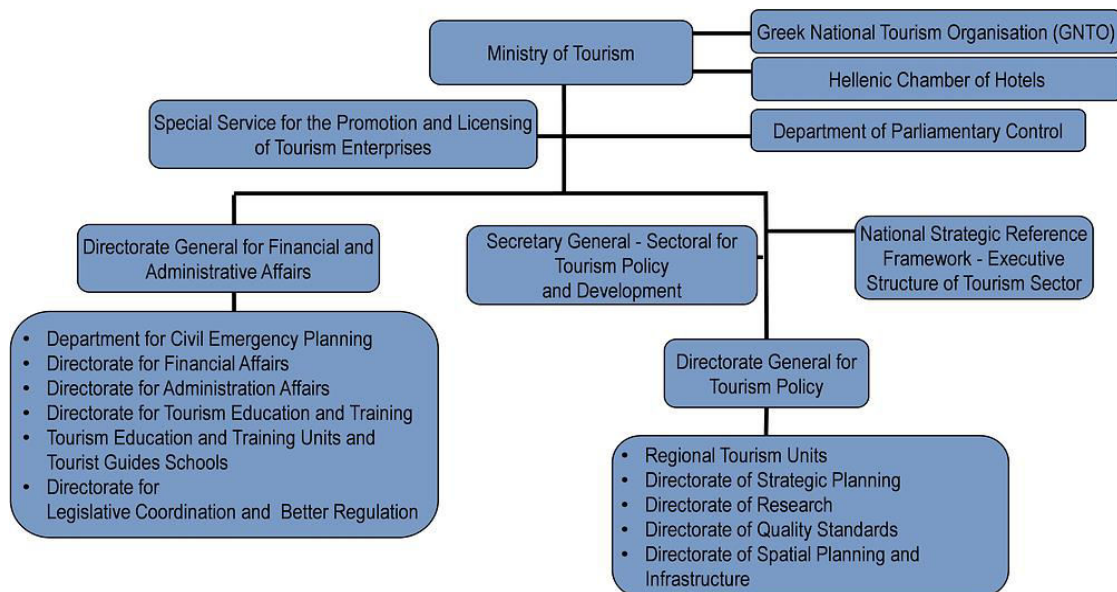
Because India is such a diverse country in terms of ethics, there are several religious sites around the country. Tourists have been captivated by the sculptures’ beauty and craftsmanship. Tourists travel from all over the world to view the many religious pilgrimage centres and holy sites.

Tourism has a strong economic multiplier effect and helps to a country’s economic prosperity. Tourism has a number of advantages that contribute to our advancement and economic development. It gives us pleasure and enjoyment. The tourist industry employed the vast bulk of the population. It may be able to help reduce unemployment and other economic difficulties if it continues to expand at a rapid pace.

The Indian government has made a number of steps to turn India become a worldwide tourist hotspot, recognising the industry’s potential. As a result, it has increased the amount of money available for tourism development in a number of states and has ambitions to grow the company.

## Underneath Challenges of India’s Tourism Sector

- **Entry/exit Issue:** Despite the introduction of an e-visa facility, visitors find the process of applying for a visa still cumbersome.



- This process will further get complicated in the post-Covid era.

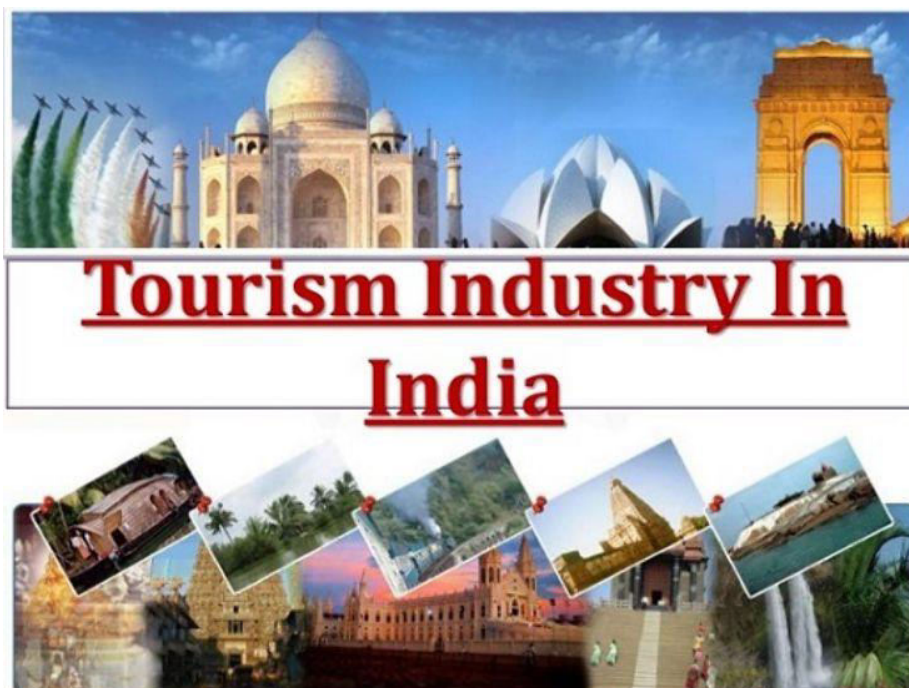


- **Infrastructure and Connectivity:** Deficiencies in infrastructure and inadequate connectivity hamper tourist visits to some heritage sites.
  - For example, many tourist destinations like Kangchenjunga, are still not easily accessible.
- **Tourism segments or circuits:** India has various tourist destinations but few circuits. Also, many announced tourist circuits are yet to be implemented on the ground.
- **Promotion and Marketing:** Although marketing related to India's tourism has been increasing, still online marketing/branding remains limited and campaigns are not coordinated.
  - Tourist information centres are poorly managed, making it difficult for domestic and foreign tourists to access information with ease.
- **Skill Deficit:** The number of adequately trained individuals for the tourism and hospitality sector is a key challenge to giving visitors a world-class experience.
  - A limited number of multi-lingual trained guides, and the limited local awareness and understanding of the benefits and responsibilities associated with the tourism industry act as constraints on the sector's growth.[9,10]

### Steps To Be Taken

The Prime Minister of India emphasised the importance of making India a global hub for tourism, urging each citizen to visit 15 tourist destinations in India by 2022. In this pursuit:

- **Focusing Inward:** A campaign focusing on domestic tourism that showcases what the nation offers to Indians could be the post-pandemic plan for the sector.
- **Improving Transportation Infrastructure:** The UDAN scheme has been a huge success, and now the government can focus on the earlier plans of launching 100 tourism-oriented trains.







- Also, the ease of access can be improved by the faster implementation of **Bharatmala** and **Sagarmala** projects.
- Further, the **Holistic Island Development plan** which focuses on the Andaman & Nicobar (A&N) and Lakshadweep Islands will automatically create jobs for the islanders and enhance connectivity through key infrastructure projects.
- **Preserving Heritage:** Conservation and development of all heritage sites should be undertaken and completed through either government funding or through NGOs/Corporate Social Responsibility (CSR) activities.
  - The Ministry of Tourism's Swadesh Darshan and National Mission on **Pilgrimage Rejuvenation and Spiritual Heritage Augmentation Drive** (PRASAD) schemes are already undertaking the development or maintenance of heritage sites.
  - The number of projects sanctioned under this scheme should be increased and their implementation accelerated.
- **Skill Development:** There is a need to connect local communities to tourism by encouraging them to set up small enterprises to supply the tourism industry (accommodation, food and material).



- Employment opportunities can be expanded by ensuring that investors and operators in the organized sector are encouraged to hire staff locally.
- This will give a boost to Eco-tourism.
- **Leveraging Technology:** Moving forward, technology can play a significant role in creating minimum physical touchpoints in hotels, which is very much required for safe and hygienic tourism.[11]

## V. CONCLUSION

Centre's Campaigns like Incredible India and states' campaigns such as God's Own Country (Kerala) blended India's tourism potential with awareness. This allowed Indian entrepreneurs, global entities, domestic and foreign tourists, and the government machinery to work together and accelerate growth in the sector. Carrying forward the success story of these programs, there is a need for the launch of Incredible India [12]

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