

ROLE OF TOURISM POLICIES AND COMPETITIVENESS OF INDIAN TOURISM

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ABSTRACT

Tourism industry is on a high in the 21st century. There is a shift of international tourists from developed economies to the developing ones. India being a part of the latter must channelize its tourism policies to be able to take advantage of this opportunity. The paper attempts to review the tourism policies, tourism promotional campaigns and initiatives by the government of India since independence and the competitiveness of Indian tourism industry at the global level. The findings conclude that India is lacking on the issues of security & safety, maintenance and cleanliness, information & communication, infrastructure, facilities, man made attractions, behavior of country residents, tourism infrastructure, corruption, terrorism and excessive begging and cheating and has a sound position only on the issue of natural resources, prices historical monuments, festivals and multi cultural heritage.

KEYWORD: competitiveness, Indian tourism, tourism policies

Introduction

In the year 2011 the global FTA were 983 million, the Asia – Pacific region witnessed 217 million out of which India's share was 6.29 million. The statistics clearly show that India accounts for a minimal of 0.63% of the world FTA which is quite low as the top most preferred destination – France got 79.5 million FTA in the same year accounting to 36.6% of the world FTA.

Similarly, the FEE globally in the year 2011 were 1030 billion US \$ whereas in Asia Pacific region were 289.4 billion US \$. USA topped in this list claiming 116.3 billion US \$. It is further heartbreaking to view India's position from this perspective as India accounted only 1.66% of the world's FEE which being 17158 US \$ million.

This clearly gives us the vision to study the policies that the government is initiating to enhance the competitiveness of Indian tourism industry as tourism is becoming a booming industry in the 21st century.

Organizations Involved in Tourism

The various organizations engaged in the development of tourism in India are:

1. Department of Tourism :-

Tourism department is responsible for promotion of India as a tourist destination, development of tourism infrastructure and facilities in the country and performing regulatory functions in the field of tourism. It has four regional offices at Delhi, Mumbai, Kolkata, Chennai and a sub-regional office at Guhawati. The regional offices supervise the working of other tourist offices situated at different places throughout the country. The head of department is a Director General who has under him Additional secretary and also Additional Director General tourism and market research. To assist the Additional secretary, a Joint Secretary and Financial Advisor are

also appointed. The department independently formulates the policies and liaises with central and state government departments and local bodies in discharging their duties. The area of operations of the department are classified into various headings which include planning and promotions; publicity and conference; travel, trade and hospitality; accommodation; wildlife and additional accommodation; market research and administration.

During the course of the discharge of its duties the department of tourism interacts with advisory committee on Indian Airlines, Indian Board for wild life, Governing body of the Institute of Hotel Management catering Technology and Nutrition –New Delhi, Central Advisory Board of Archeology, Indian Tourism Development corporation, Export Import Advisory council, Central Post and Telegraph Advisory Council and so on.

2. Organizations for International Tourism:

1. Overseas Organizations

In order to position India as a preferred destination in the global market, 18 offices are established in USA, American countries, Canada and other Gulf countries. These offices function under the supervision of a regional Directorate office in New York, USA. A separate Directorate of Tourism office is established in Geneva to look after and monitor the functioning of tourist offices in London, Paris, Frankfurt, and Brussels.

Most of the overseas promotional programs are organized with Air India and these are termed as 'operation schemes.' For the first time in 1968 a scheme named 'Operation Europe' was launched to promote Indian tourism in Europe. It was launched in partnership with Air India, which has extended financial support to its offices across Europe. In due course of time, several such schemes were launched due to the success achieved in these schemes, to give the much needed push to Indian tourism. From a modest beginning in 1949, the tourism has passed through several stages to reach the present stage of national and international presence. Several expert committees, councils and boards were appointed to study and submit their recommendations, which have contributed to the development of the sector.

2. India Tourism Development Corporation (ITDC):-

India Tourism Development Corporation was established in October 1966. ITDC performs following activities:

- Construction, management and marketing of hotels, restaurants and travelers lodges at various places in the country.
- Provision of tourist publicity materials
- Provision of entertainment facilities in the shape of sound and light shows, music concerts etc.
- Provision of shopping facilities in the shape of duty free shops and
- Provision of consultancy cum managerial service in India and abroad.

3. Indian Institute of Tourism and Travel Management (ITTM):

ITTM was set up in January 1983 with registered office at New Delhi. It offers different level academic courses in tourism and travel management and related areas. It has embarked upon a series of alternative educational courses for supervisory and grass root-level workers of the industry.

4. National Council for Hotel Management and Catering Technology :

It acts as an apex body to coordinate training and research in hotel and catering management. Its head office is in New Delhi. It is the main agency for planning and monitoring the activities of

15 institutes of Hotel Management and 15 food craft institutes and ensures uniformity in academic standards and procedures for selection and admission of candidates for various courses conducted by these institutes.

5. Tourism Finance Corporation of India Ltd.(TFCI) :

TFCI sponsored by IFCI (Industrial Finance Corporation of India) was set up in April 1988 and it started its functioning from February 1, 1988. TFCI is set up with a view to provide institutional assistance to tourism projects other than those in the accommodation sector. In addition to the above mentioned organizations at the central level, the state government and union territories have their own Department of Tourism, Tourism Development Corporations and other institutions or organizations formed for the purpose of helping the development of tourism industry in their areas. Besides these, various agencies such as Department of Archaeology, International Airport Authority of India, Indian Airlines, Vayudoot, Indian Railways, Custom Department, Reserve Bank of India, Forest Departments, Handloom and Handicrafts Boards and Corporations and Individual level agents, hotel and tour operators are engaged in the promotion of tourism in India.

Major Policy Initiatives Taken by Indian Government

An Overview of Indian Tourism Policies

The Ministry of tourism headed by the 'Union Minister for Tourism' is the nodal agency for the formation of national policies and programs related to tourism. It also coordinates all the activities of the central government agencies, state government undertakings and the private sector for the development and promotion of tourism. The administrative head of the ministry is the secretary (tourism) who also acts as the Directorate General (DG) tourism. Directorate General of tourism has 20 offices within India and 13 offices overseas. The work of the ministry is divided into 10 divisions which are headed by either a Director or Deputy Secretary level officer. These include administration, public sector undertakings (PSU) planning & coordination, division, publicity, international cooperation and IT & Events divisions, market research division, overseas marketing division, hotels and restaurants division, travel & trade division, integrated finance, e-governance division, official language division, human resource development and domestic tourism division and parliament vigilance, administration & public grievances divisions. The first conscious and organized efforts to promote tourism in India were made in 1945 when a committee was set up by the government under the chairmanship of Sir John Sargent, the then Educational Advisor to the government of India (Krishna, A.G., 1993). Thereafter, the development of tourism was taken up in a planned manner in 1956 coinciding with the second five year plan. The approach has evolved from isolated planning of single unit facilities in the second and third five year plan. The sixth plan marked the beginning of a new era when tourism began to be considered as a major instrument for social integration and economic development. But it was only after the 80s that tourism activity gained momentum. The government took several policy initiatives explained below:-

1. The National Tourism Policy 1982

In November 1982, a tourism policy was formulated and presented to the Parliament. The objective of the policy was to so develop tourism that it-

- Becomes a unifying force nationally and internationally fostering a better understanding.
- Helps preserving Indian Heritage and culture and projecting the same to the world.
- Brings socio-economic benefits in terms of employment, income generation, revenue generation, foreign exchange etc.

- Gives direction and opportunity to the youth of the country to understand the aspirations and view point of others and helps in developing national integration.
- Offers opportunities to the youth of the country, not only for employment but also for taking up activities for nation-building and character-building like sports, adventure activities etc.

The national policy highlighted the need for coordination and appropriately referred to tourism as a 'common endeavor'. A national committee on tourism which was constituted soon after submitted its report in 1988. The report covered all the important issues relating to the role of tourism, the need for infrastructure and development, etc. Some of the crucial recommendations in the report were:-

1. The need for re-arranging the existing organizational structure of the Department of Tourism and the need for an apex body called the National Tourism Board.
2. The setting up of a standing committee of Tourism Ministers for an integrated approach to tourism development and also to effectively associate the state governments.
3. To ensure implementation of the recommendation, a National Policy needs to be evolved, supported by a comprehensive legislation.
4. Tourism needs to be integrated into overall plans of the country and into area development plans.

These recommendations are fundamental to any substantial tourism development strategy for the country.

2. The National Action Plan 1992

In 1992 a National Action Plan 1992 was announced. It was regarded as an emerging action plan to set things right in some key areas, and to provide directions to achieve quick results. The objectives set out rightly stroked at the perceived inadequacies of the system and incorporate all those areas which have been identified as the weakness of India's tourism development policy.

The strategies outlined in the Action Plan for achieving these objectives were as follows:-

- Improvement of tourism infrastructure.
- Developing areas on a selective basis for integrated growth along with marketing of destinations to ensure optimal use of existing infrastructure.
- Restructuring and strengthening of the institutions for development of human resources.
- Evolving a suitable policy for increasing foreign tourist arrivals and foreign exchange earnings.

The National action plan also mentioned area of action which were important for tourism development but which fall under the control of different ministries of the government of India like improvement in facilities at international airports, liberalized chartered flights and open sky policy for routes on which Air India does not operate or operates in a limited fashion. These were important issues and most of them still need to be addressed.

3. The New Tourism Policy (2002)

In 2002, the action plan was finally translated into a tourism policy and it officially became a joint central-state government concern. The policy document attempted to establish tourism's great contribution in national development and its role as an engine of growth. It suggested that tourism not only generates government revenue, foreign currency, but also provides an optimal use of India's scarce resources, sustainable development, high quality employment(especially to youngsters, women and disabled people), and finally peace, understanding, national unity and

stability. The policy aimed at increasing the number of domestic and international tourists. In order to do this, the government proposed to diversify the Indian tourism products and substantially improve the quality of tourism infrastructure, marketing, visa arrangements and air travel. In 2002, Government of India launched an international marketing campaign named as Incredible India to promote tourism in India to global audience. The Incredible India campaign projected India as an attractive tourist destination by showcasing different aspects of Indian culture and history like yoga, spirituality, etc. The campaign was conducted globally and received appreciation from tourism industry observers and travelers. However, the campaign was substantially criticized from some quarters. Some experts criticized it on its failure to cover several aspects of India which could have been attractive to the average tourist.

In 2009, the Ministry of Tourism launched a campaign titled 'Atithi Devo Bhava' targeting the local population to educate them regarding good behavior and etiquettes while dealing with foreign tourists. 'Atithi Devo Bhava' aimed at creating awareness about the effects of tourism and sensitizing the local population about preservation of India's heritage, culture, cleanliness and hospitality. It also attempted to re-instill a sense of responsibility towards tourists and re-enforce the confidence of foreign tourists towards India as a preferred holiday destination. The concept was designed to complement the 'Incredible India' Campaign.

Major Tourism Promotion Campaigns and Initiatives at a Glance

Year	Particulars
1946	Sir John Sarjant Committee on Tourism
1947	Report of Sir John Committee
1949	Sir John Committee Suggestions, Govt. started branches of Tourism in Delhi, Calcutta, Bombay and Madras
1951-55	First Five Year Plan, No allotment for tourism development
1956-60	Allotment for tourism with name of transportation Division
1957	Establishment of Department of Tourism
1958	Establishment of Tourism Department Council
1960	Establishment of Indian Tourism Development Corporation (ITDC)
1966	Establishment of Department of Aviation
1966	Establishment of Department of Aviation and Tourism
1967	Establishment of Ministry of Tourism and civil Aviation
1982	Declared First time Tourism Policy
1986	Establishment of National Committee on Tourism
1986	Separate Department of Tourism
1986	Tourism as a industry declared by Government
1986	Separate department with cabinet minister
1988	Establishment of Ministry of civil Aviation Tourism
1991	Tourism as a source of Foreign Investment
1992	Nation action plan for tourism
1992	Tourism Year
1995	Establishment of Tourism cell
1988-99	Tourism with export businesses
1999-2000	Visit India Year
2002	The concept of highway tourism, agricultural tourism, and rural tourism A campaign titled as Incredible India was launched
2009	Another campaign titled as Atithi Devo Bhava was introduced.

Competitiveness of India as an International Tourist Destination

The following discussion illustrates the state of competitiveness of Indian tourism industry:

1. **Security & Safety-** India is highly lacking on this attribute of competitiveness. The major reasons being the internal community riots and also the terrorist attacks faced from time to time. The country is highly unsafe for females and there is poor discipline as well as political instability in the country. In the TTCI index of 2011 India was ranked 78th out of 139 economies showing poor security environment of the country.
2. **Maintenance and Cleanliness-** The general cleanliness and sanitation level of the country is also very poor. Out of the top 10 polluted cities of the world two cities of India –Ludhiana is on the 5th position and Kanpur is on the 10th position.
3. **Information & Communication-** Though the official languages of the republic of India are Standard Hindi and English yet the government of India has given 22 languages of the 8th schedule the status of official languages. Because of such diversity in the regional languages the foreign tourist has to face the problem of communication with the locals. Also the official website of Incredible India campaign of Ministry of tourism, Government of India is less informative which could have otherwise solved this language and communication problem. There is improvement in the mobile phone networking of India and currently India has a total of 15 mobile network operators with Idea, Vodafone and Reliance Communications bagging the top three positions.
4. **Infrastructure-** As per the TTCI rankings of 2011 India's Air transport infrastructure and the ground transport infrastructure bag 39th and 43rd position respectively out of 139 countries, which is pretty well. Efforts made by the government of India are also commendable which are visible in the form of opening of Terminal 3 at the IGI airport, Delhi which can alone handle 34 million passengers providing ultra-modern facilities. This airport was ranked 6th in the world in the year 2011 whereas it was not even among the top 100 in the year 2007. This showcased the seriousness and dedication of the Indian government for developing its infrastructure. The mobile teledensity of India is 74.15% and that of the world is 86%. Various schemes are being implemented with financial support from Universal Service Obligation Fund (USOF) for providing access to telecom services to people in the rural and remote areas as an effort of the Ministry of Communication, Government of India to provide better telecom infrastructure.
5. **Prices-** India is highly competitive when prices of general commodities, airfare and accommodation charges and prices of food items at tourist spots are discussed. In the list of top 10 least expensive nations of the world India bags 4th position. But the policy of the Indian government to earn foreign revenue through charging more entry fees from foreign tourists at tourist spots is highly criticized.
6. **Facilities-** India has a sound banking system with its five banks among the top 300 and two among the top 100 banks of the world in the year 2011(State Bank of India 64th, ICICI 81st, Punjab National Bank-239th, HDFC 242nd and Bank Of India 263rd). The medical facilities are among the best in India with Fortis hospital, Bangalore rated 1st in the list of world's best hospitals for medical tourists.
7. **Attractions-** India has vast diversity in weather and climatic conditions. India's geography and geology are climatically pivotal. Though the Tropic of Cancer (the boundary between the tropics and subtropics) passes through the middle of India, the bulk of the country can be regarded as climatically tropical. Analyzed according to the Köppen system, the climate of India resolves into six major climatic subtypes and is largely subject to four seasons: winter (January and

February), summer (March to May), monsoon (rainy) season (June to September), and post-monsoon period (October to December). But the environmental hazards cannot be ignored as India accounts for 5.83% of the world's carbon dioxide emissions adversely affecting its competitiveness. It has a large pool of historical monuments and cultural heritage with more than 3680 historical monuments as listed by archaeological survey of India. It has uniqueness of local blend but still India is lacking on the grounds of manmade attractions such as amusement parks, adventure sports and nightlife which need strengthening.

8. Behavior of Country Residents- India is particularly lacking on this ground as there is lack of education among the taxi/auto rickshaw drivers and the service providers of tourism in India. Foreign tourists are ill-treated at tourist spots. The number of rape cases have increased manifold in India since 2010 and India is the 9th most dangerous country for travelers in the world. The locals are just not willing to help a foreigner in normal circumstances.

9. Factors Affecting the Purpose of the Visit- India is blessed with vast natural resources and is ranked 8th out of 139 countries by TTCI report 2011 for its natural resources. But this blessing has yet to be optimally utilized as we are lacking on the grounds of tourism infrastructure (89th out of 139 as per TTCI report 2011).

10. Other Factors- There is widespread begging and cheating in the country at various tourist spots which makes the whole environment at these places unpleasing and embarrassing. The corruption level is also very high and India scores 3.1 out of 10 in the corruption perception index of 2011 and is ranked 95th in the list of least corrupted nations of the world making it one of the highly corrupt nations of the world. The extent of terrorism is also rapidly rising and adversely affecting the competitiveness of India as an international tourist destination.

Conclusion

India is lacking on the issues of security & safety, maintenance and cleanliness, information & communication, infrastructure, facilities, man made attractions, behavior of country residents, tourism infrastructure, corruption, terrorism and excessive begging and cheating and has a sound position only on the issue of natural resources, prices historical monuments, festivals and multi cultural heritage. Thus the government of India must frame certain good policies and promotional campaigns both at domestic level and also international level so as to boost its foreign tourists arrivals and foreign exchange earnings.

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