CHAPTER – III

ANALYSIS OF TOURISM POLICY IN INDIA AND KARNATAKA

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CHAPTER – III

ANALYSIS OF TOURISM POLICY IN INDIA AND KARNATAKA

3.1 Introduction

Planning is the process of identifying objectives and defining and evaluating methods of achieving them. Tourism planning involves considering all the tourism resources, organizations, markets and developing programmes. It also considers economic, social, cultural, ecological and environmental aspects of tourism development. Successful tourism planning and development means serving both tourists and also local residents. Planning tourism at all level is essential for achieving the tourism goals. The experience of many countries in the world has demonstrated that the planned approach to the development of tourism can bring benefits to any country in the long run without any adverse consequences. Only when it is not planned, it is likely to lead to environmental and social problems.

The special characteristics of tourism sector make it particularly beneficial in terms of general economic development. Tourism like any other economic activity flourishes well when proper planning is done. Tourism planning should be included in the general economic and social planning. This coordinated approach will have a direct bearing on the success of the tourism industry. A proper planning of the physical, legal, financial, promotional, social and environmental aspects can help tourism development on a sustainable basis. Planning could be undertaken either at the national or at the regional level.

3.2 Tourism Sector in Indian Five Year Plans

India adopted a policy of development through planning in 1952 when the first five year plan was introduced by the planning commission of India. During the early years of planning much importance was not given to tourism sector. In the subsequent plans tourism was recognized as a sector and attempts were made to integrate tourism development in the planning process.
Development of Tourism Sector through Successive Five Year Plans

There was no allocation for tourism development during the First five year plan (1951-56).

During the Second five year plan (1956-61) tourism became a constituent of the Planning process and an allocation of Rs.3.36 crores was granted to both Central and State tourism sectors projects put together. The strategy adopted during the second plan period was mainly on creating facilities in important tourist centers.

The Third five year plan (1961-66) witnessed the beginning of an era for the development of activities connected with tourism. To promote adventure tourism winter sports complex was established at Gulmarg in Kashmir. Efforts were made during the third five year plan to provide institutional support for tourism development. The India Tourism Development Corporation (ITDC) was set up in 1966 with the objective to develop tourism infrastructure and promote India as a tourist destination.

The approach during the Fourth five year plan (1969-74) and Fifth five year plan (1974-79) was expansion and improvement of tourist facilities with a view to promote ‘Destination traffic’ rather than transit traffic. Tourist destinations were developed with higher investment. Integrated development of selected tourist centres like Kovalam, Gulmarg, Goa, Kullu-Manali etc., received much attention and became the symbolic models of resort tourism in India. Cultural Tourism was emphasized with development of Buddhist Centres and heritage monuments in India through master plans.

The Sixth five year plan (1980-85) was a major landmark in the history of Indian tourism development. The first ever ‘Tourism Policy’ of the country was announced during 1982 which specified the development objectives and provided an action plan based on ‘Travel Circuit’ concept to maximize the benefits of tourism.

During the Seventh five year plan (1985-90) the development of tourism was stated as a plan objective and the sector was accorded the status of an industry. The National Committee on Tourism was set up by the Government in 1986 to evaluate the economic and social relevance of tourism in India and to draw up a long term plan for ensuring accelerated growth of tourism. On the basis of these recommendations a
package of incentives were made available for tourism industries. Tourism Finance Corporation of India (TFCI) was set up to finance tourism projects.

The development Plan for tourism during the **Eighth five year plan (1992-97)** was based on the National Action Plan for tourism presented in the Parliament on 5th May, 1992. It proposed to achieve diversification of tourism products, accelerated growth of tourism infrastructure, effective marketing and promotional efforts in the overseas markets and removal of all impediments to tourism. A major component of the Action Plan was the development of all inclusive ‘Special Tourism Areas’ and intensive development of selected circuits. The Action Plan did not specify the infrastructural requirements and the investments needed to meet the targets and source of funding for the same.

‘The Tourism Synergy Programme’ enlisting the activities and infrastructure components to be provided by various agencies including the private sector and State Governments was prepared in 1993. It was further modified and converted into a ‘National Strategy for the Development of Tourism’ during 1996. These documents were aimed at achieving greater realization of the importance of tourism, a consensus on the developmental needs, positive contribution of all the infrastructural departments in a coordinated manner, high plan allocations and introduction of new schemes for accelerated development of tourism.

A special Task Force for the promotion of Schemes/projects for the development of Tourism in the North Eastern States, Sikkim, Jammu and Kashmir, Arunachal Pradesh and Hill districts of Uttar Pradesh and West Bengal was constituted by the department of tourism. Senior Officers of the Department along with representatives of respective State Governments and industry visited these areas and action plans for North Eastern States, Jammu & Kashmir were prepared.

The **Ninth plan (1997-2002)** introduced a very comprehensive plan for the development of tourism as a product developing industry and the plan also identified the advantages of synergy and called for greater coordination between public and private efforts.

In order to give boost to foreign exchange earnings, employment and income generation through tourism activities, Export House status was granted to tourism units in the Ninth Five Year Plan. In developing tourism, the plan called for
conservation of tourist sites and protection of environment. The plan envisaged to provide various incentives to private entrepreneurs. Product Development as a conscious policy was adopted for the diversification and improvement of tourism products of India including cultural tourist attractions. These included

a) Promotion of festivals and fairs, rural craft melas etc.  
b) Refurbishment of monuments and Heritage buildings  
c) Flood lighting and Sound and Light Shows  
d) Development of pilgrim centres  
e) Development of specific circuits through external aid  
f) Exploring new source markets in regions and countries having cultural affinity  
g) Launching of national image building and marketing plans in Key markets  
h) Providing inexpensive accommodation in different tourist centres  
i) Improving service efficiency in Public Sector Corporation.

The plan provided for the development of human resources to meet the needs of tourism industries. It was decided to be achieved through the services of National Council for Hotel Management and Catering Technology, Indian Institute of Tourism and Travel Management, Indian Institute of Skiing and Mountaineering, National Institute of Water Sports Goa, Guide Training Courses, and Training of Trainers in collaboration with Department of Personnel & Training. All such training will provide updated knowledge about emerging trends in the tourism field about its various segments and improve the efficiency of the service providers.

Thus in the course of the Ninth Plan period (1997-2002) systematic tourism development plan was developed with special incentives.

During the Tenth five year plan (2002-07), an attempt was made to position tourism as a major contributor of economic growth, and realize its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner. Various schemes and activities taken up during the 10th Plan period aimed at enhancing the employment potential within the tourism sector as well as fostering economic integration through developing linkages with other sectors.

The Tenth Plan has identified tourism as one of the major sources of generating employment and promoting sustainable livelihoods. The government has
decided to develop necessary infrastructure for facilitating rural tourism (Financial Express 2004).

The strategic objectives of the 10th plan are

- Positioning tourism as a national priority.
- Enhancing India’s competitiveness as a tourism destination.
- Improving and expanding product development.
- Creating world class infrastructure.
- Drawing up effective marketing plans and programmers.

During the Eleventh five year plan (2007-2012) there was a distinct shift in the approach of tourism development as compared to previous plans. The vision for the tourism sector for the 11th FYP was ‘to achieve a superior quality of life through development and promotion tourism which would provide a unique opportunity for physical invigoration, mental rejuvenation, cultural enrichment and spiritual elevation.’ This vision for tourism development was proposed to be achieved through the following strategic objectives.

a) Positioning and maintaining tourism development as a national priority.

b) Enhancing and maintaining India’s competitiveness as a tourism destination.

c) Improving and expanding product development.

d) Creating world class infrastructure.

e) Drawing up effective marketing plans and programmes and

f) Developing human resources and capacity building of service providers.

Plan schemes during the Eleventh Five Year Plan

Several plan schemes were introduced during the eleventh five year plan period to achieve the targets. An outlay of Rs 5156 crores was provided to tourism sector. Against this outlay, allocation during the first four years of the Plan period was Rs 4003 crores. Ministry has been able to utilize 99.23% of the allocation during the first four years of the Plan.

To accomplish the targets set forth in the 11th FYP the Ministry of tourism implemented the following schemes during 2007-2012.

- Product Infrastructure Development for Destination and Circuits (PIDDC)
- Overseas Promotion and Publicity Including Market Development Assistance
- Domestic Promotion and Publicity
- Assistance to Large Revenue Generating Projects
- Incentives to Accommodation Infrastructure
- Creation of Land Banks
- Assistance to Central Agencies
- Market Research including Twenty Years Perspective Plan.
- Computerization and Information Technology

As per the 11th Plan document of the Planning Commission, “Tourism is the largest service industry in the country. Its importance lies in being an instrument for economic development and employment generation, particularly in remote and backward areas”.

During 11th Five Year Plan efforts were made to harness the full potential of the tourism sector by improving the tourism infrastructure, popularizing further by the Incredible India Campaigns in foreign countries, promoting niche products such as MICE, Health and Wellness, Adventure Tourism etc.

12th five year plan (2012-2017) introduced a new dimension to the contribution of tourism. The plan highlights the need to adopt a ‘pro-poor tourism’ approach aimed at increasing the net benefits to the poor from tourism and ensure that tourism growth contributes to poverty reduction. The approach paper also underpins the need to develop a comprehensive set of strategies for a diverse set of actions, from macro to micro level, including product and infrastructure development, marketing, branding and promotion, planning, policy and investment.

The Approach paper to 12th Five Year Plan, prepared by Planning Commission, highlights the following regarding tourism sector.

1. Along with construction, Tourism is one of the largest sectors of the service industry in India. It is capable of providing employment to a wide spectrum of job seekers from the unskilled to the specialized, even in the remote parts of the country.

2. Tourism and Hospitality is a diverse industry, being a collection of activities, comprising transportation, and accommodation, eating and drinking establishments, retail shops, entertainment businesses and other hospitality services provided to individuals or groups travelling away from home for
leisure, business or other purposes. The broad scope of economic activities involved in tourism enables wide participation in its growth, including the participation of the informal sector.

3. The interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting the tourists and other visitors, gives rise to both demand for, and supply of, a wide range of tourism related goods and services. Therefore, tourism has good potential to stimulate overall economic growth.

4. In 1992, the ‘Earth Summit’ in Rio established the triple principles of environmental, economic and social sustainability. Since then, the principles of sustainable tourism have been adopted by the tourism industry worldwide. In India, the tourism sector is based on exploiting its unique endowments of biodiversity, forests, rivers, and its rich culture and heritage. The challenges in this sector lie in successfully preserving these in their original form, and making them accessible to domestic and international travellers. Tourism in India has the potential to create economic interest of local communities in the protection of its natural and cultural endowments leading to a more sustainable growth.

**Various Targets for Tourism Sector in 12th Five Year Plan**

As Tourism Sector is one of the major component of the service sector in India, its growth targets have to be linked to the targeted growth of service sector during the 12th Five Year Plan. Indian economy is expected to grow at the rate of 9%. To achieve this, services sector as well as the tourism sector have to grow at the rate of 12% per annum. For improving the growth in tourism sector, the following targets have been fixed for Foreign Tourist Arrivals (FTAs) and Domestic Tourism.

a. Increase India’s share of International Tourist arrivals to at least 1% by the end of 12th Plan - requiring an annual growth of 12.38% during 2011- 2016.

b. Provide adequate facilities for domestic tourism to sustain the growth of 12.16% during 12th Plan (2011 to 2016).

c. Using the data on share of tourism in the total jobs in the country available from Tourism Satellite Accounts (TSA) for 2002-03 it was estimated that the total number of jobs (direct and indirect) in the tourism sector in 2016 are going to be 77.5 million as compared to 53 million in 2010. Therefore, an
additional employment of 24.5 million (direct and indirect) is likely to be created during 2010 to 2016.

Based on the study commissioned by ministry of tourism the estimated employment in 2012-13 was 43.84 lakhs and it could be 63.79 lakhs in 2016-17. (Report of the working group on tourism for XII five year plan).

3.3 Organizations for Tourism Promotion

Organization is an essential pre-requisite for taking initiatives to develop any sector. It plays an important role in planning, implementation and monitoring of programmes for the development of any sector. The following institutions play an important role in the development of tourism industry.

3.3.1 International Organizations for Promotion of Tourism

The following are the international organizations for promoting tourism in different countries.

3.3.1.1 United Nations World Tourism Organization (UNWTO)

The UNWTO is the most recognized and leading international organization in travel and tourism industry all over the world. It serves as a global forum for tourism policy, issues and a practical source of tourism know-how. It has 150 member countries and more than 500 affiliate members representing local governments, tourism associations, educational institutions, and private sectors like airlines, hotel groups, tour operators etc.

Aims and objective of UNWTO

1. Promotion of and development of tourism with a view to contributing to the economic development, peace, prosperity, and universal respect for, and observance of human rights and fundamental freedoms for all without discrimination as to the race, sex, language or religion.
2. In pursuing the objectives, the organization pays particular attention to the interests of the developing countries in the field of tourism.
3. In order to establish its central role in the field of tourism, the organization establishes and maintains effective collaboration with appropriate organs of the United Nation and its specialized agencies.
3.3.1.2 World Travel and Tourism Council (WTTC)

The World travel and tourism council is the forum for global business leaders in travel and tourism. Chief Executives of more than one hundred of the world leading travel and tourism companies are its members. These members include CEOs from accommodation, catering, cruise, entertainment, recreation, transportation and other travel and tourism services. WTTC is the only body representing the private sector in all parts of the industry worldwide. It has a 19 member executive committee which meets twice in a year. Its daily operations are carried on with a small office based in Landon. WTTC works to raise awareness of travel and tourism as one of the World’s most important industries, supporting more than 258 million jobs and generating 9.1% of world GDP.

In 2003 WTTC published its milestone blueprint for new tourism, providing a new strategic framework to ensure that travel and tourism works for everyone in future. It advocated promoting travel and tourism as a partnership, fusing the efforts of both public and private sectors, delivering the results that match the needs of economics, and local community. The blueprint stated

1. Government recognizing the importance of travel and tourism and giving it a top priority.
2. The travel and tourism business should balance the economic culture, environment and the local community.
3. The benefits of growth and prosperity shall be shared by all stakeholders.

WTTC has been working for sustainable development of travel and tourism all over the world, with special emphasis on developing countries. Its high quality and authoritative research in the travel and tourism industries have helped many countries to adopt sustainable plans for tourism development.

3.3.1.3 Pacific Asia Travel Association (PATA)

PATA was founded in the year 1951 as a non-profit corporation to stimulate interest in the pacific region as a vacation land and to develop, promote and to facilitate travel to and among the many pacific destinations. The association had 44 founder members. Its aim was to bring together governments, airlines, steamship companies, hoteliers, tour operators, travel agents and a wide range of other tourism related organization. Today PATA is the global leader in Pacific Asian tourism.
Members exchange ideas, seek solutions to problems and participate sharing the future of travel in Asia and Pacific area. At present it has more than two thousand organizations as its members worldwide. The association has become an important source of correct and up-to-date information for its members in the field of marketing development, information, education, sustainability and other travel related activities.

3.3.1.4 International Air Transport Association (IATA)

In the post second world war period, passenger air traffic increased considerably all over the world. A need for regulating and coordinating the air traffic was felt. The president of USA, Franklin D Roosevelt, called an international convention in November 1944, at Chicago. The convention agreed to establish an international agency to control, coordinate and regulate air traffic all over the world.

The following are the objectives of IATA.

a. To ensure the safe, regular and economical air transport for the benefit of people all over the world.
b. To provide means of collaboration among different airlines.
c. To prevent economic waste caused by unreasonable competition among the airlines all over the world.
d. To promote and develop sustainable international tourism.
e. To provide a common platform for travel agencies and tour operators for interaction and finding solutions for their problems.
f. To provide education and training for its members.
g. To cooperate with the international civil aviation organization and other international and national organizations concerned with civil aviation.

3.3.1.5 American Society of Travel Agents (ASTA)

The American society for travel agents (ASTA) is the leading and largest professional association of travel agents in the travel and tourism industry. It was established in 1931 as the American steamship and tourist agents association but in 1945 it changed its name into “American Society for Travel Agents”.

Objectives: The main objective of ASTA is the promotion, protecting the interests of members and tourists against fraud, misrepresentation and other unethical practices; the other objectives are follows.

a. To create awareness among the members with proper education and training.
b. To provide a common platform for interaction and sharing of experiences.
c. To organize seminars, conferences and conventions.
d. To conduct research and publish materials relating to travel and tourism.

3.3.2 Organizations for Promotion of Tourism in India

The following Indian tourism organizations are working for promoting Indian tourism.

3.3.2.1 Travel Agents Association of India (TAAI)

The Travel Agents Association of India was established in 1952 on a modest scale with only ten travel agents as its members. Now the organization has more than 250 members in more than 80 cities of India and 20 in foreign countries.

Activities of the TAAI

a. Function as a promotional platform for interaction of thought and experience.
b. Promote, maintain and stimulate the growth of travel and tourism industry.
c. Draw the attention of the controlling and regulating authorities in the country and discuss with them the problem of industry and work for the survival and betterment of its members.
d. Educate and equip the members to meet the future challenges through conventions and seminars.
e. Develop better understanding among the different segments of travel and tourism industry and bring them into its fold.
f. Setting ethical practices to its members.

3.3.2.2 The Indian Association of Tour Operators (IATO)

The Indian Association of tour operators (IATO) was formed in 1982. The IATO is the representative body of tour operators in India. It promotes, develops and helps the members to maintain and set up high ethical standard in the industry. It has been playing an important role in promotion and development of inbound tourism. The association has provided equal opportunities for all visitors to enjoy the trade facilities without the distinction of race, colour, creed and nationality.

The following are the aims and objectives of IATO

1. To promote national integration, international welfare and good will.
2. To develop, promote and encourage and assist in the development of tourism throughout the country and take initiatives to secure the welfare of the tourism trade in all aspects.

3. To develop, promote and encourage friendly feelings among the tour operators and travel agents.

4. To protect the interests of the members.

5. To set up and maintain high ethical standards in travel business.

6. To settle any dispute among the members amicably.

7. To communicate and negotiate with chamber of commerce, AITA, DOT, and other organizations on behalf of the members.

8. To get affiliation with tourism organizations in other countries.

9. To organize overseas promotional tours jointly with various airlines and Government of India tourism offices abroad and other similar organizations.

10. To institute awards for excellence in travel trade.

3.3.2.3 India Tourism Development Corporation Ltd (ITDC)

Till 1963 the tourism development and promotion in India was in the hands of various departments like civil aviation, transport etc. In 1965 the Government of India has set up three public sector tourism corporations namely,

a. Hotel Corporation of India Ltd.
b. India Tourism Corporation Ltd.
c. Indian Tourism and transport Undertaking Ltd.

In 1966, the government decided to merge all three organizations into one composite corporation with the objective of bringing coordination among the working of all these three institutions. In October 1966, the Government established India Tourism Development Corporation (ITDC). The objectives of the ITDC were

1. To develop Tourism infrastructure all over the country.

2. The construction, management of marketing of tourism facilities.

3. Creation of shopping, convention and conference facilities.

4. Providing consultancy service and training human resource for tourism projects.

5. Establishment and management of tourist transport facilities.
6. Promote tourism traffic in the country through various promotional activities like conducting fairs, festivals, and cultural fests.

7. Undertake aggressive publicity programme abroad.

After the economy was opened in 1991, the policy of government has envisaged a lot of changes. A process of disinvestment and sale of hotels has started and as a result ITDC has reduced its scale of operations though it is still in the field.

3.3.2.4 Indian Institute of Tourism and Travel Management (ITTM)

ITTM was set up in January 1983 with registered office at New Delhi. It offers different levels of 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.

3.3.2.5 National Council for Hotel Management and Catering Technology (NCHMCT)

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

3.3.2.6 Tourism Finance Corporation of India Ltd (TFCI)

Industrial Finance Corporation of India (IFCI) sponsored the setting up of TFCI in April 1988. TFCI was set up with a view to provide institutional finance to tourism projects other than those in the accommodation sector.

In addition to the above mentioned organizations at the central level, the state governments and union territories have their own departments of tourism, tourism development corporations and other institutions formed for the purpose of helping the development of tourism industry in their areas.

3.3.2.7 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 Guahawati. The regional
offices supervise the working of other tourist offices situated at different places throughout the country. The head of the department is a Director General. Additional Secretary and Additional Director General of tourism and market research work under the Director General. 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 promotion; 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 wildlife, Governing body of the Institute of Hotel Management Catering Technology and Nutrition –New Delhi, Central Advisory Board of Archaeology, Indian Tourism Development Corporation, Export Import Advisory Council, Central Post and Telegraph Advisory Council.

3.4 Tourism Policies and Strategies in India

Tourism policy can be defined as a set of regulations, guidelines, and directives with the object of promoting and developing tourism. The policy should spell out national goals and objectives. It also helps to develop a suitable strategy for bringing sustainable development of tourism.

3.5 Factors to be considered in Preparation of Tourism Policy

The tourism policy cannot exist in isolation but it is linked to a number of other polices and strategies adopted by the government like foreign policy, environmental policy, customs and traditions, tax policy etc. Due to the inter linkages among these policies, without a proper synergy among these polices, the policies are likely to affect tourism policy adversely.

Tourism is a multidisciplinary industry. While framing the tourism policy, a number of factors have to be taken into consideration. The following are the important factors:

a) Planning should start at micro level and then developed to macro level.
b) While planning, the interest of local community must be fully protected.

c) The local community should be a part of the planning process.

d) It should be designed, keeping in mind the long term perspectives.

e) It should concentrate on how best to use the limited resources for a sustainable growth.

f) It should encourage and stimulate creative and innovative ideas in the planning process, so as to avoid stereotyped perception.

g) It should integrate tourism planning with other planning of the region/or state or country.

h) It should incorporate both competitiveness and sustainability in the planning.

3.6 The Process of Tourism Policy Formulation

Tourism policy formulation involves several steps in order to operationalize the concepts and objectives (Nagapathi, 2012). The steps involved are presented below.

3.6.1 Definitional Stage

This stage of tourism policy statement is concerned with the development of explicit statement that defines the content and direction of the tourism system. It represents the critical first step in the process of policy formulation.

3.6.2 Analytical Stage

The analytical stage of tourism policy development involves considerably greater amount of efforts. The definitional stage requires fundamental value based decision concerning the nature and direction of the tourism development in a region. The analytical stage accepts these decisions and proceeds to carry out the extensive collection and assessment of information needed to identify and evaluate the desirability of alternative means of attaining the destination and to achieve the goals defined by the vision. The overall process of analysis consists of two major components namely-supply and demand.

a. The Internal or Supply Analysis: The internal or supply analysis consists of a thorough review of the two major elements. The first relates to existing policies and programmes for the development of various components of tourism supply.

The second element of supply analysis is called as resource audit. A resource audit should be conducted with two goals in mind. First it should provide a
comprehensive cataloguing of the quantity and distribution of tourism facilities and services within the tourism system. Such information is required to understand the present position of supply side. Second, the resource audit should provide some assessment of quality of existing facilities and services.

b. The External or Demand Analysis: The demand analysis is composed of three distinct types of analytical activity. The first involves macro level analysis of data that defines the overall nature and structure of current tourism demand as well as those markets having a potential for future demand. The second type of demand analysis consists of micro level analysis. In this method attention is directed towards understanding the motivations and behaviour of the tourists in different tourism market segments. The third component of demand analysis involves a review and evaluation of competitive and supportive tourism development and promotion policies and programmes.

3.6.3 Operational Stage

The operational stage involves different types of activities. Based on the findings of the supply and demand analysis undertaken in the analytical stage, operational stage prepares the blueprint by operationalizing the strategies. The process also provides for assessing the impact of supply and demand. The identification of strategic conclusions flows directly out of the analytical stage. In addition to specifying the major findings from each type of internal analysis, this process also must attempt to provide conclusions that assess the impact of both supply and demand.

3.6.4 Implementation Stage

Finally it is essential to include an implementation stage. This stage includes

a. Identification of individual or group or organizations that should take the responsibility for each major dimension of the policy realization.
b. Establish initial estimation of the project cost.
c. Fix date and time for lunching the project and fix the time frame for each component to be completed.
3.7 Review of Tourism Policy in India

Starting with the National Tourism Policy 1982 several policies are introduced at the national level to address the issues of tourism sector. The following is a brief review of these policies.

3.7.1 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 develop tourism so that it.

a. Becomes a unifying force nationally and internationally fostering a better understanding.

b. Helps preserving Indian heritage and culture and projecting the same to the world.

c. Brings socio-economic benefits in terms of employment, income, revenue generation and foreign exchange etc.

d. 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 endeavour’. A national committee on tourism was constituted and it 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 recommendations, a National Policy needs to be evolved, supported by comprehensive legislation.
4. Tourism needs to be integrated into overall plans of the country and into the area development plans. These recommendations are fundamental to any substantial tourism development strategy for the country.


Based on the recommendations of the national committee on tourism an action plan was prepared. However, only 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 as a great contributor to 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, and finally peace and understanding towards national unity.

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 connectivity. Government of India launched an international marketing campaign named as Incredible India to promote tourism in India to global audience in 2002. 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.

The policy document seeks to enhance employment potential within the tourism sector. It also contemplated to foster economic integration through developing linkages with other sectors of the economy. The policy proposes to

a. Positioning tourism as a major engine of economic growth.
b. Harness the direct and the multiplier effects of tourism for employment generation, economic development and stimulating rural tourism.
c. Focus domestic tourism as a major drive of tourism growth.
d. Position India as a global brand to take advantage of the booming global brand and global travel trade and the vast untapped potential of India as a destination.

e. Acknowledge the critical role played by private sector with government working as a facilitator and catalyst.

f. Increase of train facilities in tourism destinations.

g. Create and develop integrated tourism circuits based on India’s unique civilization, heritage and culture in partnership with states, private sector and other agencies.

h. Ensure that the tourists to India get physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and “feel India from within”.

The policy document takes into consideration seven key areas that provide the thrust to tourism development. These are

1. Swagat (Welcome)
2. Soochana (Information)
3. Suvidha (facilitation)
4. Suraksha (Safety)
5. Sahyog (Cooperation)
6. Samrachana (Infrastructure development)
7. Safai (Cleanliness)

The tourism industry, unlike many other industries, consists of several service providers. These service providers are in private sector. Public Sector institutions like department of tourism either at the centre or at the state are involved in the planning and development of tourism process. The participation of different private and public sector agencies makes tourism industry a complex phenomenon. It requires a strong cooperation between these two sectors to develop the tourism and achieve the overall objectives.

Another significant campaign launched by the Ministry of Tourism in 2009 was ‘Atithi Devo Bhava’ targeting the local population to educate them regarding good behaviour 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-instil a sense of responsibility towards tourists and reinforce the confidence of foreign tourists towards India as a preferred holiday destination. The concept was designed to complement the ‘Incredible India’ Campaign.

3.7.3 The National Tourism Policy (2015)

Subsequent to the national tourism policy 2002, several initiatives were made to promote tourism with a concentration on holistic approach. Due to these efforts the tourist arrivals of both foreign and domestic type increased considerably. Foreign tourist arrivals grew at a rate of 10.6% in 2014 and foreign exchange earnings increased by 11.5%. With the experience gained after introduction of new campaigns a new National Tourism Policy (2015) was announced. The new policy seeks to take advantage of new developments after the introduction of liberalization policies (Government of India Ministry of tourism, 2015). The objectives are

a. Increase India’s share in world tourist arrivals from the present 0.68% to 1% by 2020 and increase to 2% by 2025.

b. Position Tourism as a priority on the National political and economic agenda.

c. Widen understanding of the benefits of the tourism sector within the wider governmental framework, especially with Government departments critical to Tourism success.

d. Evolve a framework for tourism development, which is Government-led, private sector driven and community welfare oriented.

e. Foster and develop a coordination mechanism between the Centre and the States / UTs and between various Ministries / Departments and create a framework for engaging with local bodies, to drive the National Tourism Agenda.

f. Focus on the benefits of tourism for local communities and the natural and cultural environments.

g. Directly address seasonality, creating year-round offerings for continuous tourism economic activity.

h. Create a safe, secure, clean, hygienic and inviting environment for tourists.
i. Innovation into integrated tourist circuits and destinations based on India’s unique civilization, heritage, and culture in partnership with States / UTs, private sector and other agencies, thus spreading the reach and impacts of tourism beyond gateway cities, further across the nation and deeper into communities.

j. Position India as a global brand and preferred tourism destination in overseas markets.

k. Focus on domestic tourism as a major driver of tourism growth.

l. Focus on development and promotion of the North East Region and the state of Jammu & Kashmir.

m. Develop quality human resources in the tourism and hospitality sectors across the spectrum of vocational to professional skills development and opportunity creation.

n. Create an enabling environment for investment in tourism and tourism-related infrastructure.

3.8 Tourism Policy Initiatives

To operationalize the policies several programmes were introduced to promote tourism sector. Some of them are

1. SWADESH DARSHAN was introduced for integrated development of theme based circuit. The five circuits initially identified under SWADEH DARSHAN were North east circuit, Coastal circuit, Himalayan circuit and Krishna circuit. Three projects, one each in North east, Buddhist and Coastal circuits were sanctioned in 2014-15.

2. National Mission on Pilgrimage Rejuvenation and Augmentation Drive (PRASAD) for improvements and beatification of pilgrimage sites of all faiths was introduced in 2014-15. Twelve cities were initially identified under PRASAD. They are Varanasi, Amristar, Ajmer, Mathura, Gaya, Kanchipuram, Velankanni, Dwarka, Puri, Amaravathi, Kedarnath and Kamakhya. Apart from this, four projects, one each for Gaya and Puri and two for Mathura were sanctioned under PRASAD in 2014-15. This includes sanction of Rs. 50
crores for the project for infrastructure development at Puri and for the Nabakalevara ceremony at Puri.

3. Upgradation of 24 railway stations of tourist importance on cost sharing basis (50:50) with ministry of railways at a total cost of Rs. 240 crores was undertaken.

4. Introduction of E-Initiative which includes mobile applications for approved tour operators, travel agents and classified hotels, online tracking of hotel classification application, online approval of travel trade services providers, E-management of tourism and hospitality institutes and programmes including Hunar Se Rozgar tak, Launch of E-book of Ministry of Tourism etc.

5. The introduction of electronic authorization enabled tourist visa on arrivals which is now re-named as e-tourist visa was introduced to facilitate the arrival of foreign tourists.

3.9 Karnataka State Tourism Policies

Tourism sector is placed in the concurrent list. Therefore both central and state governments are authorized to make policies addressing tourism sector. A brief review of the policies introduced in Karnataka is presented below.

2. Karnataka Tourism policy 2009-2014

3.9.1 Karnataka Tourism policy (2002-2007)

It is the first comprehensive tourism policy introduced by the Government of Karnataka to provide a boost to the tourism sector. The vision statement of the policy states “to be among the pre-eminent tourist destinations in Asia, with market leadership and dominance in the following segments: Upscale tourism (both national and international), heritage tourism, ecotourism, conventions and conferences, exhibitions, Cruises - Theme Parks and to be on par with the best in the world; to excel in every facet of the tourism industry; to emerge as a benchmark for other destinations” (Karnataka Tourism Policy, 2003).

According to the policy document the priorities for the State Government Departments and concessions and incentives to the private sector with a view to
enhance tourism potential and attract more private investment into the tourism sector in the state are

- Formation of a State Tourism Council headed by the Chief Minister, with all stakeholders represented in it, to take decisions on policy and strategy.
- Formation of a State Level Co-ordination Committee under the Chairmanship of the Chief Secretary with Secretaries of tourism-related departments as members, for effective implementation of the Tourism Policy.
- Reactivation of District Tourism Councils headed by the Deputy Commissioner with General Manager, District Industries Centre and the Assistant Director of tourism assisting the council.
- Preparations of comprehensive development plans for the development of major tourist spots in a phased manner by the Department of Tourism and also assign activities which have to be taken up by the Government as well as by the private sector.
- In the first phase, the Department of Tourism shall prepare a comprehensive development plan for the following key destinations: Nandi Hills, Brindavan Gardens, Kemmannagundi, Jog Falls, Badami, Aihole, Pattadakal, Belur, Halebid, Shravanabelagola, Bijapur, Hampi, Gokarna, Karwar, Mysuru, Hesaraghatta, Agumbe and Nehruloka.
- The Department of Tourism shall prepare and implement a comprehensive infrastructural plan for providing connectivity and common facilities at major tourist destinations in the State with an initial out lay of Rs. 125 crores.
- The funds for this plan are to be availed from financial institutions after getting the projects prepared and vetted by professionals and agencies. The major components of this infrastructural plan are air connectivity, road, public and civic amenities, preparation of comprehensive plan and acquisition of land.

Incentives for the Participation of Private Sector

The policy made provisions for the encouragement of private sector participation in all tourism-related activities in the state. The following incentives and concessions are offered in the policy period.
a. Luxury tax to be charged only on room tariff above Rs. 400 and to be charged only on actual tariff collected. A cap of 10% to be placed on it.
b. Additional state excise duty of 66% on imported liquor to be reduced to 25% or levied on basic rate.
c. Motor vehicle tax levied on tourist vehicles plying between States to be rationalized on a reciprocal basis.
d. 50%/100% stamp duty exemption for investments below/above Rs. 50 crores.
e. Concessional registration charges of Rs.1 per Rs. 1,000.
f. Waiver of Conversion Fee. Entry tax exemption during implementation of project for a period of three years.
g. Entertainment tax exemption of 100% for first three years and 75% for next two years for I-Max theatres only.
h. Tax on aviation turbine fuel is reduced to 4% and underwriting 50% of tickets of private airlines for an initial period of three years.
i. Government land will be offered at 50% of its market value to entrepreneurs.

3.9.2 The Karnataka Tourism Policy (2009-2014)

Karnataka tourism policy 2009-2014 is significantly aligned to the National Tourism Policy 2002 and it aims ‘to ensure international, national and regional focus in attracting foreign and domestic tourists in large numbers, for extended stay and higher share of their wallet’. The vision for tourism in Karnataka as enunciated in the policy is to “make tourism Karnataka’s principal and largest economic activity, as an employer, revenue generator and engine of growth, by being among the top two tourism destinations in India by 2016-17”.

The unique selling proposition of Karnataka tourism is that it is a “Mini Incredible India” in its tourism offerings. It is one state with a spectrum of many tourist interests like heritage, pilgrimage, adventure tourism, coastal resorts, natural attractions etc.

In continuation of previous Tourism Policy (2002-2007) with an inside-out view and a congenial environment for private investors the present Karnataka tourism policy reshapes the same by incorporating an outside-in view to cover larger markets and higher share of the tourist’s wallet. This calls for understanding the expectations of the tourists. Accordingly the emerging trends of MICE (Meeting Incentives
Conferences and Exhibitions), health tourism, wellness tourism, cruise tourism, adventure tourism, Heli-tourism, Wilderness tourism, etc., were identified.

3.9.2.1 Strategic Objectives of the Policy

The strategic objectives of the policy according to the Karnataka tourism policy report (2009) published by Department of Tourism Government of Karnataka are

1. Create an enabling condition to make Karnataka India’s leading tourism destination with focus on the customer (tourist), brand strategy and source marketing.
2. Focus on the tourists through segmented customer approach.
3. Create a culture of tourism in Karnataka with active involvement of all the relevant stakeholders.
4. Disperse growth across the state to spread the economic and community benefits of tourism.
5. Tap effectively the full potential of employment, revenue-generation and growth prospects of tourism in Karnataka.

3.9.2.2 Operational Objectives

Along with the strategic objectives, the policy also proposed operational objectives. They are

1. Create the institutional framework to oversee and execute the policy: including integrated inter-ministerial and inter-departmental mechanisms to realize policy targets and smooth implementation.
2. Create Public Private Partnership (PPP) that will drive massive investment into destination creating project as well as into regular projects through appropriate structuring and innovative financing.
3. Facilitate the private sector (both international and national) to develop world-class, world-scale projects that will be developing sub-destinations on their own and bring in huge tourist flow.

3.9.2.3 Karnataka Tourism Vision Group (KTVG)

The Government of Karnataka has set up a Tourism Vision group in October 2013 consisting of eminent citizens and domain specialists to advise the government
on the way ahead for the Tourism sector. The Vision group of over 50 individuals met jointly in over 7 sessions during Oct-Dec 2013. The sector heads submitted their suggestions, which are part of this vision group report.

The KTVG focused on a few key areas with an emphasis on what needs to be done and the ‘vehicle’ to get there – Guiding principles that would act as a compass for any current or future decision regarding the Tourism sector; Governance and Implementation framework; Critical requirements at tourist locations, particularly the major attractions and criteria to determine relative importance of a location / event; Tourist circuits (Heritage, Coastal, Nature / Wildlife, Adventure, Culture, Urban, Wellness, Spiritual) and Common themes that cut across the categories (Human resources, Brand, Finance, Policy, Infrastructure, Connectivity, Technology, Communication, etc.).

Government of Karnataka has also suggested setting up of vision Implementation Group to implement the recommendations of the Karnataka Tourism Vision Group. It is expected to work closely with Tourism Promotional and Infrastructure Corporation and tourism stakeholders.

3.9.2.4 Karnataka Tourism Vision Group Recommendations

1. Over 4 million new jobs can be created over the next decade with an emphasis on sustainable tourism development.
2. Generic guiding principles should be followed to achieve the overall Tourism vision.
3. We could go beyond our current World Heritage sites in Karnataka.
4. Brand Mysuru’s charm through a Royal City association and leverage the extended regional attraction for wild life and eco-tourism.
5. Culture, Festivals and Heritage tourism has historical roots in Karnataka. They can be run more professionally with advice from knowledgeable resource persons.
6. Coastal tourism potential in Karnataka is currently under leveraged.
7. Considerable potential for Adventure, Medical and Spiritual tourism in the State.
8. Urban tourism around Bangalore to tap into its large visitor base and local population is necessary.

10. To achieve this, a State Tourism Governance structure under the CM’s leadership imperative.

Based on the earlier Tourism policy documents and the vision 2020 document, Karnataka Tourism Master Plan 2010-20 was prepared. Subsequently, 31 detailed district-wise reports about the state potential and action plan for Tourism across Karnataka’s districts was made. This exercise was completed in early 2012. Apart from these two, there are reports suggesting specific initiatives – some examples of these were the ‘Site Management Plan for Sustainable Conservation and Development of Hoysala Heritage Region, Mysuru tourism promotion plan which also includes inner city development with a focus on tourist infrastructure.

3.9.3 Karnataka Tourism Policy (2014-2019)

The tourism sector has been identified as one of the key sectors propelling the country’s economic growth. Karnataka has been ranked as the 4th preferred destination among domestic tourists and 3rd preferred destination for investments in the tourism sector. It is critical to focus on increasing domestic and international visitation through a collaborative approach between Government and Industry and enhancing the capacity of the sector to stimulate regional development and prosperity of the community. The thrust areas and strategies proposed in the policy attempt to distribute the economic benefits of this industry across a wider cross section of the society.

3.9.3.1 Vision and Objectives

The vision statement of the tourism policy 2014-19 is to develop Karnataka as a dynamic, sustainable and most-favoured tourism destination by increasing domestic and international visitations, offering high quality experience to visitors, facilitating and accelerating investments and improving livelihood opportunities at the local level.

It was estimated that the fresh employment possibilities at 4.3 million (based on global norms of 10% employment in the sector), additional revenue potential of Rs. 83,000 crores (through direct and indirect taxes) and the investments of Rs. 73,000 crores with 50% government funding (infrastructure, destination and mobility) is needed for providing a fillip to Tourism in the State by 2024.
To achieve the vision and set the direction for the tourism industry over the next five years, the following objectives are outlined (Karnataka tourism policy report 2014-19(2014), Department of Tourism Government of Karnataka).

### 3.9.3.2 Objectives

1. Accelerate and facilitate private investments and promote entrepreneurship in the tourism sector.
2. Motivate and enthuse entities from different segments of the society with substantial incentives to contribute towards development of the sector.
3. Higher growth in visitations and duration of stay of different visitor segments, through improved infrastructure, products and services.
4. Improve ‘total quality’ experience to visitors, from before arrival till after departure, by providing better access to information, greater choice in destinations, compendium of services for eating, shopping, participative safe and hassle-free experience at various travel stages.
5. Promote effective inter-departmental coordination to streamline processes and increase sector performance.
6. Enhance tourism industry skills, knowledge and professionalism to provide visitors a pleasant experience and promote local employment opportunities.

### 3.10 Conclusion

Tourism policies have shifted the focus from concentrating only on tourist arrivals to providing integrated services with the help of ICT and also in promoting ecotourism, medical tourism and education tourism etc.

It is important to understand the impact of tourism policies on other sectors before making any changes in the policies.

The existing policies have not looked into the linkages between the tourism policy and other related policies like employment policies, environmental policies etc.