CHAPTER – VI
SUMMARY, FINDINGS AND POLICY SUGGESTIONS

6.1 Introduction
6.2 Summary of the Findings
6.3 Policy Suggestions
CHAPTER – VI
SUMMARY, FINDINGS AND POLICY SUGGESTIONS

6.1 Introduction

It is said that “Life is a journey.” Though it is said in a philosophical sense; it is also true in practical sense. In order to understand the importance of tourism activity an analytical framework with a broad base is needed. Tourism is different from other service industries in the sense that in this case visitors have to travel to places to avail the services. Now-a-days tourism became one of the main sources of employment generation, Gross Domestic Product (GDP), foreign exchange earnings, etc for a country. From the tourist’s point of view tourism makes dreams of sightseeing experience come true. Two aspects of tourism namely its capacity to generate employment both direct and indirect and its potential to earn foreign exchange for the host country have made all countries to desire for its development. There is hardly any other economic sector which generates as much added value at such a low cost as tourism.

Review of literature revealed that a majority of the studies have focused on issues relating to economic development, global tourism, tourism and poverty and market aspects of tourism etc. It is important to analyse the economic contribution both at the macro level and micro level in order to evolve appropriate policies for increasing the contribution of tourism. In order to fill this gap the present study has been undertaken to analyse the economic contribution of tourism to Indian economy with a focus on Karnataka economy and identify the factors influencing income of the service providers.

The main objective of this study is to estimate the economic contribution of tourism to India with a special reference to Karnataka economy. The supporting objectives are

1. To examine the development of tourism policy in India with special reference to Karnataka.
2. To examine the contribution of tourism industry to Indian economy.
3. To examine the trends in contribution of tourism industry to Karnataka economy at macro level.
4. To examine the economic contribution of tourism to Karnataka at micro level.
5. To identify the factors influencing economic contribution of tourism to Karnataka.

The study is based on both secondary and primary data. Macro level analysis is based on the secondary data collected from various sources for the period from 1990 to 2014. Micro level analysis is based on survey conducted in three sample districts viz., Hassan, Kodagu and Mysuru districts.

Compound Annual Growth (CAG) rates and Coefficient of Variation (CV) were calculated to estimate the growth and variability immediately after liberalization and later. Causality, Cointegration and Vector Error Correction Model (VECM) were estimated to identify the long run and short run relationship between the macro variables like Foreign Tourist Arrivals (FTA), Foreign Exchange Earnings (FEE), Investment, employment and Gross Domestic Product (GDP). Probit and Ordinary Least Square (OLS) regression models were estimated to identify the factors influencing the visitation of tourists and income of the service providers at the micro level.

To understand the contribution of tourism for the development of different players in the tourism industry at micro level, primary data was collected from different tourist destinations in the sample. The different players are classified into two categories. They are

a. Tourists
b. Service providers

Service providers are further divided into two categories. They are

a. Organized service providers
b. Unorganized service providers

Economic contribution was analyzed based on the number of tourists, both domestic and foreign, the amount spent by these tourists, income of the service providers, economic status of the service are providers etc.
Probit Model

The following Probit Model with visitation as dependent variable and is visits and age, income and facilities as independent variables was estimated. The Probit model is:

\[ V_i = \beta_0 + \beta_1 A_g + \beta_2 I_n + \beta_3 F_a + \epsilon \]

\( V_i \) = Visits (First Visit =1, Otherwise- 0)
\( A_g \) = Age of respondents (in years)
\( I_n \) = Monthly income in rupees
\( F_a \) = Facilities (Satisfied-1, Not satisfied-0)
\( \beta_0, \beta_1, \beta_2 \) and \( \beta_3 \) = Estimated coefficients

Hypothesis

\( H_0 \) = Visitation is not influenced by the facilities available at the tourist destinations.
\( H_1 \) = Visitation is influenced by the facilities available at the tourist destinations.

Regression Model

The following regression model to explain the income generation of unorganized service providers is specified.

Unorganized Service Providers

\[ \text{Income} = \alpha + \beta_1 F_c_i + \beta_2 E_d_i + \beta_3 E_x_i + u_i \]

Income = income of the unorganized service providers (Monthly income in rupees)
\( F_c_i \) = Tourism infrastructure facilities (1= Satisfied, 0= Not satisfied)
\( E_d_i \) = Education level of the respondents (0 = Illiterate, 1 = Below matriculation, 2 = SSLC, 3 = PUC, 4 = Degree)
\( E_x_i \) = Experience of the respondents (in number of years)
\( u_i \) = error term
\( \alpha \) = constant
\( \beta_1, \beta_2, \) and \( \beta_3 \) = Estimated coefficients
Hypothesis

$H_0 =$ Income of the service providers is not dependent on the number of years of service provided.

$H_1 =$ Income of the service providers is dependent on the number of years of service provided.

The Thesis has been organized into Six Chapters

The study is presented in the following six chapters.

The first chapter presents Introduction, objectives, hypotheses and methodology.

The second chapter is devoted to the review of literature including both theoretical as well as empirical literature.

The Third chapter highlights the tourism policy in India and Karnataka.

The Fourth chapter focuses on growth of tourism sector and its contribution to the economy of India and Karnataka at macro level.

The Fifth chapter focuses on economic contribution of tourism to Karnataka at micro level.

Sixth chapter provides summary of findings, conclusions and policy suggestions.

6.2 Summary of the Findings

Important findings that emerged out of the secondary data analysis and from primary data analysis are presented below.

6.2.1 Findings Based on Secondary Data Analysis

- The data relating to domestic and foreign tourist arrivals to India revealed that the average arrivals of domestic tourists increased from 139.67 million during the early liberalization period (1990-2000) to 584.36 million during the later part of liberalization period (2001-2013). Though the average number of tourists increased, the growth rate remained equal in both periods. On the other hand there appears to be greater stability in domestic tourist arrivals in the later part of liberalization. While coefficient of variation for the first period was 34%, it decreased to 6.66% during the second period indicating greater stability. But same is not the case with foreign tourist arrivals. The average foreign tourist arrivals increased from 2.15 million to 4.67 million during the same period. CAG registered an increase from 5.21% to 8.80%. However, it is
not associated with stability. The variation increased from 15.47% to 33.59% between the two periods. This clearly shows that during the later part of liberalization period, though there is an increase in the average number of foreign visitors, there is a greater intra-year fluctuations indicated by higher coefficient variation.

- The study observed that during 2001, both domestic and foreign tourist arrivals reached bottom level. This may be due to terror attacks in USA. Since USA is the major contributor to foreign tourists, attack on USA had a negative impact on tourist arrivals. Similarly in 2008-2009 also tourist arrivals are affected by global financial meltdown.

- Tourism is an important sector of Indian economy and contributes substantially to the Foreign Exchange Earnings. During 2012 an amount of Rs 944870 million foreign exchange was earned by tourism sector. Average foreign exchange earned increased from Rs 98910 million to Rs 474730 million. The coefficient of variation was calculated to understand the variability in the foreign tourists and foreign exchange earnings. Variation in foreign tourist arrivals increased from 15.41% to 30.15% between 1991-2001 and 2002-2012 and variability in foreign exchange earnings increased from 38.07% to 51.20% during the same period. While tourist arrivals growth rate increased from 4.21% to 10.81% between 1991-2001 and 2002-2012, foreign exchange compound rate of growth increased from 13.31% to 20.15% during the same period.

- The Granger Causality tests were conducted to identify the causation between foreign tourist arrivals and foreign exchange earnings. The time series data for the period from 1991 to 2012 has been used for the analysis. The result shows that there is only one-way causal relationship from FTA to FEE, which means FTA has a causal effect on the FEE in Indian tourism industry.

- The data about the tourists from top 10 countries to India shows that United States America (USA) stood first in total number of foreign tourist arrivals during 2014. The tourists from USA were 1.12 million constituting 14.57% of total foreign tourists.

- Regarding domestic tourists the data reveals that Tamil Nadu stood first in the percentage of domestic tourist arrivals. Out of the total domestic tourists
during 2014, 25.6% are from Tamil Nadu. Karnataka is also one of the important destinations of domestic tourists. With 9.2% of the share Karnataka stands in third position.

- The data reveals that in the case of foreign tourist arrivals also Tamil Nadu stood first with 20.6% of the total foreign tourists to India.

- The contribution of travel and tourism to Gross Domestic Product (GDP) increased substantially between 2000 and 2013. It increased from Rs. 1983.66 billion in 2000 to Rs 7416.14 billion by 2013. Though there is an increase in quantity, there is a decrease in growth rate in recent times, especially in 2012. Similarly, the share in Gross Domestic Product (GDP) also declined and was steady after 2009. While the real growth rate was 8.6 % in 2000, it declined to 7.3 % by 2013. The share in employment also declined from 11.8 % to 7.5 % in 2013. The growth of employment showed a negative growth rate in some of the years, especially in 2013. The contribution of travel and tourism to GDP and to total employment directly depends on aspects like the number of visitors, domestic expenditure, and internal tourism consumption, purchases by tourism providers, including imported goods, capital investment and government collective spending.

- Trends in investment in tourism, employment in tourism and GDP in India between 1990 and 2014 revealed that there is greater fluctuation in the investment in tourism sector. There is a decline in investment after 2007, though it started picking up from 2013 onwards. Same trend is observed in employment generated in tourism industry and its contribution to GDP. The average investment increased from Rs 92,402.08 billion to Rs 2,25,646.7 billion. But there is a considerable increase in the variability of investment. The variability increased from 50.68% to 85.68% between the two time periods. Same is not the case with employment generation and contribution to GDP. Employment generation has shown a marginal increase from 0.36 billion to 0.37 billion. The variability also has shown a marginal decline. However in the case of contribution to GDP there is a considerable reduction in variability. Contribution to GDP has shown greater stability with 46.68% coefficient of variation compared to 72.04% during the first period.
• A comparison of trends in the contribution of different sectors to GDP has shown that contribution of all the sectors was growing continuously till 2009 and it declined in 2010. But it increased again in later years. Contribution of agriculture sector has grown at a much lower rate than the other two sectors. Industrial sector contribution did not show much variation. It is interesting to observe that all the three sectors registered lowest growth in 2010. From 2008-09 onwards the economic crisis affected the agriculture, industry and tourism sectors. The contributions of all the three sectors came down. While comparing the contribution of tourism, it is important to observe that tourism is a subsector in service sector, whereas agriculture and industry are independent sectors. Despite this, the contribution of this sector is more stable compared to the other two sectors.

• Service sector has grown at a growth rate of 5.5 percent in 2000-01 and at 6.5 in 2012-13. The trend in tourism contribution to service sector has increased substantially from 2000-01 to 2012-13. It increased from 14.6 to 25.1%. This includes trade, hotels, and restaurants.

• Medical tourism in India is the fastest growing segment of tourism industry. India ranks second for medical tourism in the world. The city of Chennai attracts around 45% of medical tourists from foreign countries.

• The data relating to financial assistance granted to medical wellness tourism under market development assistance scheme in India during 2011-12 was Rs 15,26,759 and it increased every year. In the year 2014-2015 Rs.7069535 financial assistance was granted to Indian medical/wellness tourism. This investment helped in the creation of employment in medical tourism.

• The analysis of tourism policy revealed that larger investments are made in overseas promotion and publicity including market development. An amount of Rs 1010 crores was allocated during 11th plan and Rs 1717 crores during 12th plan. Assistance to supporting institutions has also increased from Rs 495 crores during 11th plan to Rs 855 crores during 12th plan. 12th plan allocations indicate greater priority to capacity building of service providers, provision of infrastructure facilities etc. The allocation for capacity building increased from Rs 95 crores to Rs 600 crores and for infrastructure from Rs 25 crores to Rs 298 crores. It is also important to observe that greater importance for internal
funds is given during 12th plan. The number of externally aided projects declined from 37 to 20 corers between 11th and 12th plan periods. Market research also gained importance with an allocation Rs 200 crores. The allocation for product and infrastructure development for destinations and circuits increased substantially from Rs 2381 crores to Rs 9654 crores.

- As per the estimates, tourism sector contributed 4.5% to the GDP, 8% to employment and 4.7% to investments in India during 2011. Indian scenario also represents the world situation. It is estimated that at the global level the contribution of tourism to GDP is 9.1% and employment is 8.8%. It was projected that the contribution to GDP in India will reach 4.9% and employment will continue to be 8% only by 2021. Investment is projected to be increased marginally to 4.8%. In absolute terms the contribution of tourism to employment is expected to grow from 37.6 million to 47.48 million by 2021. Similarly investment contribution also is likely to increase from Rs 1233 million to 2827.5 million by 2021.

- Jungle Lodge and Resorts is an innovative intervention in tourism by the Department of Tourism, Karnataka. There is a continuous increase in the turnover of these lodge resorts. Out of all the destinations, Jungle Lodges & Resorts Ltd. received maximum revenue from tourism. The turnover increased from Rs. 11.96 million in 1994-95, to Rs. 426.82 million by 2011-12. Though turnover in absolute value is increasing, the rate of growth is fluctuating. The growth rate was positive till 2000-01, and in the later years it registered a negative growth for two years and the growth rate picked up from 2002-03 on words.

- Dubare Elephant Camp is also one of the interventions for promoting tourism. Turnover increased from Rs. 0.73 million in 2008-09 to Rs. 20.05 million in 2012-2013. The revenue earned is directly proportional to the number of visitors. During 2012-13 also the turnover increased, though there is a decrease in Indian tourists. It is due to increase in the foreign tourists. Between 2011-12 and 2012-13, the turnover increased by approximately rupees three million.

- Golden Chariot is one of the important tourism promoting efforts in Karnataka. In the first year of its launch in 2008 it could reach the capacity of
only 25%, but in subsequent years it could cross break-even stage and started earning profits.

- The data relating to tourist flow into the State shows that there is a continuous increase from 1.42 crores in 2001 to 11.88 crores in 2014, which indicates substantial increase in arrivals. But unfortunately this trend could not continue and in the year 2002, it fell to 0.87 crores. The main reason for this was the terrorist attack on World Trade Centre in USA in 2001. This attack made its implications felt in India and Karnataka tourism. In the later years, the tourist inflow to the State is steadily increasing. As a result of this, Karnataka has a considerable growth in tourist arrivals. The flow of tourists registered a considerable increase compared to the past few years. The data also shows that there is greater variation in domestic tourist arrivals compared to the foreign tourists during the reference period. While the variation in domestic tourist arrivals is 74.31% it is 38.27% in the case of foreign tourists. However the rate of growth in domestic tourist arrivals is higher (16.40%) compared to foreign tourist arrivals (10.39%).

- The revenue earned by Directorate of tourism, Jungle Lodge and Resorts Ltd. and Karnataka State tourism Development Corporation has increased from Rs 10055.3 lakhs in 2008-2009 to Rs 10823.18 lakhs in 2014-15. The revenue earned is directly proportional to the number of visitors.

- The relative share of each source of earning has changed over a period of time. While Directorate of Tourism (DoT) was one of the major sources, its share has declined from 33% in 2008-09 to 0.96% by 2014-15. The share of Karnataka State Development Corporation (KSTDC) has increased considerably from 41.25% in 2008-09 to 62.92% by 2014-15. The share of Jungle Lodges and Resorts (JLR) also has shown an increase. The data also reveals highly fluctuating revenue of Directorate of Tourism between 2008-09 and 2014-15. The revenue of Directorate of Tourism has shown a fluctuation of 22.11% whereas the revenues of JLR and KSTDC have shown only 21% variation. The variation in total revenue is 15.75% during the reference period.

- The tourism contribution to the state GDP has been estimated to be around 12% during the year 2001. The same has increased to 13% by 2005, 15% by
2010. It is expected to grow by 25% by the year 2020. The contribution of tourism sector to employment increased from 3.69 lakhs in 2001 to 5.57 in 2010 and it is expected to be 9.32 lakhs by 2020. Similarly the foreign tourist arrivals are expected to be 5.26 lakhs and domestic tourist arrivals to be 776.83 lakhs by 2020.

- Revenue generated from tourism is expected to reach around Rs. 1194 crore by the year 2020 from Rs. 195 crore in 2001. The foreign exchange earning that the industry could generate from the sector has been Rs 32,211 lakhs in 2001 and it is expected to increase to Rs 81,396 lakhs to by 2020. Tourism industry has the highest multiplier effect due to its strong linkages with economic development of the Karnataka state.

- Government of Karnataka has been investing substantially for the development of infrastructure. Between 2009 -10 and 2013-14 an amount of Rs 4292.43 lakhs was released which created a road length of 223.96 KM. Creating accessibility by better roads improves the tourist arrivals leading to greater economic contribution.

- Under the Corporate Social Responsibility (CSR) programme department of tourism has identified the tourist destinations in 22 districts for adoption by the corporate sector. The Department has initially identified 46 destinations for providing such facilities by the Corporate Sector.

**6.2.2 Findings Based on Primary Data Analysis**

- The data relating to the tourists revealed that 88(48.9%) tourists are young tourists under the age group of 20-30 years. Only 6(3.3%) of the total tourists are in the age group of 50-60 years.

- Education level of the sample tourists indicates that tourism is supported mainly by the educated group. Majority of the tourists (61.1%) studied either post graduation or beyond. The data shows the predominance of professionals among the tourists in all the three districts. Professionals contribute 42% of the total sample tourists, 20% are self employed and students constitute 18% of the total sample visitors.
• Data shows that majority are coming exclusively either to know the culture and historical background or enjoy the adventure sports available at the tourist destinations.

• Data regarding the nature of travels shows that majority are coming in groups. According to some of the tourists group packages are useful to explore the new areas due to difference in language.

• It is observed that for more than 70% of the tourists, the visit was first visit and 51% stayed for less than one week. Majority of the tourists to Karnataka have visited Tamil Nadu, Kerala and Andhra Pradesh.

• The data clearly shows that tourism is a luxury service utilized by upper middle and higher income group. Out of the total sample 53% belong to the monthly income group of Rs. 30,000-45,000. Another 30% are the in monthly income group of Rs 15,000-30,000.

• Mysuru is one of the important heritage tourism destinations. Compared to the other two districts, the per day expenditure of tourists in Mysuru district is higher.

• The data shows that majority of the Indian tourists are spending between Rs 500 and Rs 1000 per day. This does not include boarding and transportation. Only 5.6% of the tourists are spending more than Rs 2000. The percentage of those spending above Rs 1000 and below Rs 2000 is higher in Kodagu compared to Hassan and Mysuru.

• The data also revealed that foreign tourists are spending more than the Indian tourists at the tourist destinations.

• The data shows that information brochure and websites have received excellent grade by 15% of the sample tourists. If excellent, very good, and good are considered as positive opinion, around 90% of the respondents said that promotions through information brochure is good and effective. Promotions through advertisement also received good response. According to 12% of the respondents the promotional efforts of district promotional council are average. This indicated the need for improvement in the promotional efforts of the councils.

• Analysis of the satisfaction with the various facilities and other aspects at tourist destinations has revealed that though the tourists are satisfied with the
accessibility, packages and information, the cleanliness and the guide service need improvement. This requires investments in maintaining cleanliness and construction of facilities for the vendors in tourist places. Similarly, large investments in human resource development are needed to train guides and promote this as a mainstream occupation by offering courses in higher education institutions. It is important to develop linkages between the department of tourism and higher education institutions to bring in the knowledge in training the guides and preparing the information brochures. There is a greater potential for employment generation in tourism sector.

- A Probit regression analysis has shown that the model specified is statistically fit with the likelihood ratio Chi-square of 32.06 and P-value of 0.000. Among the independent variables all the variables have shown a positive association with visitation. For example the variable of satisfaction with facilities has shown a statistically significant and positive relationship with visitation. Based on this we refuse the null hypothesis that there is no influence of facilities on tourist visitation. The satisfaction with the available facilities has a positive influence on repeat visits. Similarly age also has a significant influence indicating that higher the age, greater the likelihood of repeat visit. Based on the above results it can be concluded that availability of the facilities does influence the decision for a repeat visit. Therefore, it is important to invest more in creating facilities at tourist places to attract tourists.

- Karnataka being a land of handicrafts, several households are depending on the selling of handicrafts for their livelihood. These shop owners are permanently located in the tourist spots selling the handicrafts. While majority of these people get the items from wholesale suppliers, some of them buy from the manufactures themselves. These sellers constitute 14.67% of the sample.

- The other category is those who are providing transportation services. These are local transportation service providers mainly from the surrounding places. These include small trucks, auto rickshaw and tempo services. Nearly 29% of the sample constitutes this category.

- There are differences in the availability of these services in different districts. While food related services are available more in Kodagu district (53.33%) compared to Hassan (33.33%) and Mysuru (25%), transportation service
providers are more in Mysuru. This shows that there is greater dependence on food related activity in Kodagu. The dependence is more on transport related services in Mysuru district. Kodagu being an adventure and nature tourist destination, there is a greater availability of food related activity.

- The affordability of the family dependent on tourism to provide quality education is considered as one of the indicators to understand the contribution of tourism to economic development through human resources development. The data shows that 52% of the households are sending their children to government schools and 48% are sending to private schools.
- The data shows that 91% of the respondents are engaged in the tourism related services full-time and only 9% said that they are engaged partially. This means that they also work in other activities apart from tourism related services.
- Majority (76.0%) of the respondent are satisfied with the present infrastructure. However 36 of the respondents comprising 24.0% are not satisfied with the present infrastructure.
- More number of service providers started business in Kodagu after 2012. 26% of the sample respondents in Kodagu district have started business after 2010.
- The fact that no one is earning below Rs.100 per day shows that the present occupation has provided them a better livelihood. The people who are earning above 1000 are food stall owners, and they have provided job for one or two people in their shops. This shows that the service providers are able to realize minimum earning for a living based on the tourism related services.
- The data clearly shows the emerging opportunities that tourism sector creates for the livelihood of people with least education and technical training.
- An attempt is made to analyse the factors influencing the income of these service providers. While monthly income is considered as a dependent variable, education level, satisfaction with infrastructure facilities, numbers of years in business are considered as independent variables. Though the model appears to be good fit with F-statistic= 6.029 and p= 0.001 individual variables did not show significant influence except the variables of satisfaction with facilities and experience.
- It is important to observe that Mysuru city has more percentage of hotels established before 2000 and 50% of the hotels in Kodagu were started
between 2000-2005. The result shows that after liberalization tourist hotels have increased in all the districts.

- Four hotels in Hassan district are catering exclusively to domestic tourists. All the other hotels in all the three districts are serving both Indian and foreign tourists.
- The data shows that majority of the hotels (33.3%) received between 2000-3000 visitors per month during the period 2013-2014 and another 27% have reported the average number of visitors between 1000 and 2000 per month. Six hotels in Mysuru district have reported more than 10,000 monthly visitors. Mysuru being a central place has greater inflow of visitors. The data also shows that majority of the KSTDC hotels (83.3%) have received monthly guests ranging between 1000 and 2000, whereas majority of the private hotels have received more than 5000 guests during 2014. The private hotels have differential tariff depending on the services within the reach of all economic categories of tourists. Therefore, these hotels attract tourists from all economic categories and the number of visitors is more due to this. But all hotels in Mysuru district have adopted the strategy of using both website and information brochures for publicity. Very less 2 (6.7%) hotels are using the Information brochures alone. It is observed that all the hotels in Mysuru district are using all promotional strategies.

- Expenditure pattern of the sample hotels is a proxy to understand the contribution of tourist hotels to the livelihoods of the local people. Therefore, the annual expenditure of the sample hotels was calculated based on the information provided by the hotel management during the survey.

- The analysis shows that the annual expenditure of a majority of the hotels (63.3%) range between Rs 5 lakhs to Rs 15 lakhs, and for 7 (23.3%) of the hotels the range of expenditure is Rs 10 lakhs to Rs 15 lakhs and very few (13.3%) of the hotels have reported expenditure of 20 lakhs to 30 lakhs. Only Mysuru district has seven hotels which have spent more than Rs 80 lakhs annually. While majority of the hotels in Hassan (80.00%) are in the annual expenditure range of Rs 5 lakhs to Rs 10 lakhs, majority of the hotels is Mysuru district are in the expenditure category of Rs. 80 lakhs and above.
• The hotels employ personnel for various services. The employees range from those engaged in the management of the hotel to those who provide the basic minimum services. There is a cadre system and the salaries paid to them depend on the cadre.

• The data shows that majority of the hotels (43.3%) have less than 20 employees in 2009-10. The share of the hotels with less than 20 employees has decreased to 23% by 2013-14. On the other hand the number of hotels employing between 20 and 40 employees has increased from 10 to 14. The district-wise data shows that the employment generation is more in Kodagu district which is getting recognized as a place for adventure tourism. Out of the six hotels which have moved from the staff strength of less than 20, four are from Kodagu only. The hotels with 20-40 employees have increased from 4 to 7 in Kodagu. The hotels with less than 20 employees declined from 5 to 3 in Hassan during the same period and one hotel joined the group of hotels with 40-60 employees. In Mysuru district, though there is no decline in the number of smaller hotels, there is an increase in the hotels with more than 60 employees. One new hotel with 140-160 employees was also established in Mysuru district during 2013-14.

• Annual income of the hotels indicates the business that the hotels are generating. The income is the average gross income that the hotels generated in the year 2013-14. None of the hotels in Mysuru have reported less than Rs 25 lakhs income and 80% have reported between 1 to 5 crores of rupees. In the entire sample 30% have reported an income of less than Rs. 25 lakhs.
6.3 Policy Suggestions

Based on the analysis of secondary data at the macro and primary data at the micro level the following suggestions are made which also have policy implications.

1. Review of the policy both at the national level and Karnataka level revealed that the policies did not develop any synergy with other policies. It is important to develop synergy with other policies for sustainable tourism. In the international comparison India is ranking low in terms of environmental sustainability. Therefore it is important to take into consideration the environmental policy, urban and rural development policies while framing the tourism policy. This helps in developing complementarities in the programmes that follow the policy. For example, the forest conservation programmes can be efficiently used to develop ecotourism. Similarly urban planning helps in promoting facilities in urban tourist destinations. Though these kinds of synergies are observed in some areas, they are to be made mandatory. One example of such synergy is the utilization of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) funds for modernizing Mysuru Zoo.

2. The study clearly brought out the importance of tourism for the livelihoods of service providers, both organized and unorganized. The organized service providers are supported by their management. However in the case of unorganized service providers there is no social security. Tourism being a seasonal activity, those depending on these services have fluctuating incomes. Therefore it is important to support these service providers. Some of the suggestions are

   a. Department of tourism should initiate steps to enroll these service providers for the recently launched social security schemes like Pradhan Manthri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Manthri Suraksha Bima Yojana (PMSBY) and Atal Pension Scheme (APS).

   b. Construction of shopping complexes and providing them at subsidized rent to reduce the burden of rent on the part of these service providers in tourist destinations.

   c. Introduction of pre-paid taxi and auto services enhances the opportunities for those offering transportation services. Therefore, Department of
tourism should take steps for introducing pre-paid transportation service in tourist destinations.

d. Health facilities are to be provided at tourist destinations which are located far away from the urban centres.

3. The study also brought out lack of some of the requirements at tourism destinations. One important such requirement is hygiene. Many of the tourists felt that the hygiene conditions are not satisfactory. Therefore, it is important to take care of hygiene at tourist places. Appropriate policy changes are required to develop linkages with the local development authorities (City Municipal Corporation, Phanchayaths) to maintain hygiene in the tourist places.

4. Allocation for infrastructure development is to be increased for developing accommodation facilities, approach roads, water supply etc.

5. The study revealed that tourists are happy with the tourist packages offered by both Department of Tourism and private players. One of such packages is Palace on wheels which is catering to the richer Indian tourists and mostly foreign tourists. Due to its high cost it is not accessible to many tourists. Though the package covers important tourist destinations, due to the luxury it offers it is expensive. Therefore it is worth if the railways can introduce such package tours for tourists without the luxury.

6. Tourism sector offers greater potential for employment generation in India with appropriate interventions. The suggestions for employment generation in this sector are

a. Improving the training facilities to tourist guides. This can be achieved by Department of Tourism by entering into Memorandum of Understanding (MoU) with higher education and training institutions

b. Private tourism agents should be encouraged to sponsor training of guides.

c. Preference should be given to local candidates in the appointment of guides so that they will have greater commitment and enthusiasm apart from local knowledge.

d. Offering training courses in the use of ICT for the promotion of tourism related services.

7. Appropriate sign boards are to be installed in all the tourist destinations with proper directions to the tourist destination.
8. An exclusive helpline for tourism should be created to help tourists from all destinations.
9. Department of tourism should play the role of guiding the private tourist operators in preserving the environment and natural resources of the country to ensure sustainable tourism in India.

The study helped in understanding the economic contribution of tourism at macro and micro levels. Even under the liberalized macroeconomic scenario, there is need for government to intervene and direct the resources for the sustainability of tourism sector in India.