APPENDICES
APPENDIX I

Recommendations

A note* on guidelines for the future development of tourism in the developing economies

In this chapter, the facts and arguments presented in the preceding eight chapters are drawn together in order to suggest guidelines for the future development of tourism in developing countries and the national, regional and international measures needed to improve developing countries position in the international tourism market, especially in India.

Recommendations concentrate on ways in which the average developing country may better develop and control its tourism sector to its own maximum benefit. Many developing countries have implemented such processes, and India is really on move since 1985 to improve its tourism image abroad as well as to improve its domestic tourism which was almost neglected till 1985.

Government Control of Tourism

The main problems concern tourism objectives and lack of personnel.

* This note has been prepared on the bases of secondary literature, U.N. reports and several publications from national and international sources which have been referred to during the course of this study.
Government control of tourism development in developing countries varies widely in type and quality. The main problems are interdependent:

(i) The failure of many developing countries to establish their tourism development objectives in terms of the type of tourism they wish to attract.

(ii) The insufficient supply of personnel with adequate knowledge and experience of the structure, characteristics and requirements of the principal tourist generating markets to control and direct the tourism sector's development.

The consequence of these two factors include some, if not all, of the following for nearly all developing countries:

(i) Lack of a clear tourism policy.

(ii) Absence of systematic, phased tourism development plans.

(iii) Contracts and arrangements with foreign organisations where the terms are unfavourable to the developing countries.

(iv) The development of an ill-matched mixture of tourism facilities, many of which are unsuited to the resort or country.

(v) Haphazard, even badly directed, tourism marketing strategies.
(vi) Ignorance of the economic and social impact of tourism.

(vii) Ignorance of whether (and to what extent) or not the commercial practices of foreign enterprises militate against developing countries.

(viii) Little involvement in the distribution of their tourism product to the consumers of tourist generating countries.

Now the choice is between controlling the tourism sector closely or permitting it to developing the main through private sector initiative with fairly loose government direction and control. The resolution of this choice is a function of the importance attached to tourism sector in the country's economic development. If tourism is nominated as a major growth sector, the "hands on" state approach is probably necessary because only governments can ensure that tourism development is designed to achieve a "proper commercial size", i.e. the minimum threshold level of accommodation, and only governments can deal effectively with foreign tourism organisations.

Government involvement in tourism in developing economies may well be required as direct executive participation, for example, to establish and operate hotels, to provide guides at centres of tourist interest and so on. However, the experience of developing countries throughout the world strongly suggests that overall responsibility for the administration, control and direction of the tourism sector should be vested with a single authority - The Ministry of Tourism.
The Ministry of Tourism should be responsible for the full range of government involvements in the nation's tourism development, planning, training, facilitation, marketing and overseas travel liaison, statistics, regulation and supervision of tourist enterprises, local reception and information, preservation, protection and utilisation of historical, cultural and handicraft resources, ecology and the environment and domestic tourism planning.

An equal status to be granted to the Department of Tourism as other industrial sectors of the country. Only through the granting of such status to tourism can developing countries ensure that tourism development is fully and optimally integrated with that of interrelated sectors such as construction, food and more broadly, with that of all other sectors in the national plan.

Programme of Operation

The tasks facing developing countries tourism administrator are frequently daunting because tourism has been allowed to grow, to a significant extent in most developing economies, largely on an uncontrolled and undirected basis. The three basic tasks can be expressed simply as follows:

(i) Assessment of the country's tourism resource potential.

(ii) Setting up of procedures to make sure that the maximum benefit may be realised from this potential.
(iii) Constant checking, on a comparative basis with other sectors and countries of performance achievement, so that this benefits up to the level expected and adverse impacts kept at a minimum.

Policy and Planning of Tourism Development

Tourism development should be undertaken "consciously and methodically and carefully planned as part of the national development efforts. Policy and plans for tourism cannot be laid down without knowledge of the likely economic and social consequences compared with those arising from alternative means of national growth. Yet understanding of these consequences cannot be achieved unless the state establishes a detailed system for tourism measurement and control. Faced with this problem developing countries can only start with broad outline goals and, over time, refine and develop them into a fully integrated national development programme. The first priority for developing countries to be able to advance along these lines - is, of course, the establishment of a system for accurately recording and measuring the level and impact of tourism.

Planning involves a choice-between tourism and other development sectors, between different resorts, between different types of tourism. Planning is not solely concerned with tourist numbers and the desired foreign exchange they bring with them, it needs to link tourism development with that of other sectors, such as agriculture and education, it should even try to relate
tourism development to the more equitable distribution of wealth within the host country. Tourism planning requires the choice and weighting of social as well as economic indices. The negative impact of sociological consequences can thus be reduced by study of the social and cultural patterns of the destination area. It is worth recommending the three basic stages in tourism development:

(a) discovery (by a small number of foreigners),
(b) response by local population (local control of facilities and decision-making, little change in social structures or values),
(c) institutionalisation (control and development decision-making passes out of local hands, changes in social structures and values, increase in resentment of tourists).

There appear to be three essential elements for the balanced growth of tourism without the third stage being reached. First, the numbers of tourists must not grow at a rate beyond the capacities of the local population to manage and cater for them. Secondly, the country's attractions to tourists (natural resources, events such as fairs, the theatre, and facilities such as hotels and restaurants) should already be in existence to meet local needs so that tourism supplements local demand. Thirdly, planning must be undertaken in cooperation with the local population. Planning in this way will prolong the onset of the third stage so that the economic benefits from large
tourism flows can be realised without damaging social effects. Such an approach will also allow the tourism sector to be developed alongside other sectors and in close harmony with local culture. Of course, the government may well have to take steps to prevent undue foreign infiltration of the tourism sector.

While the growth of tourism may be temporarily affected by political circumstances such as war or insecurity, its long term growth seems to be secured by powerful socio-economic factors: higher incomes, shorter working hours, the saturation of other forms of consumer spending and cheaper transport. Despite the certainty of the long term growth of tourism, the developing countries are tempted to rush into tourism development without considering the social and cultural factors.

The three phased development planning process could be (i) the perspective plan (outline alternatives reviewed within government), (ii) the five year development plan, and (iii) annual programmes.

Statistics (First Generation and Forecasting)

A tremendous improvement is needed in this sector. Without a major improvement in the compilation and utilisation of first generation tourism statistics (i.e. directly relating to tourist movements), the developing countries tourism administrations will not reach a position where they can assess their country's performance on a comparative basis or plan with assurance for the future. Neither will they be able to establish whether or
not tourism is meeting the economic objectives established for it. There is a need for comprehensive and standardized collection of tourism statistics with particular emphasis on establishing seasonal, regional visiting, length of stay and expenditure patterns. This is important to determine the future requirements for accommodation, other tourism facilities and manpower must reflect demand from both international and domestic tourists. There is a strong need for the creation of data banks of tourism statistics. This would help developing countries to maximise their limited resources by eliminating the need to duplicate research or, say, generating markets.

For the state to carry out any form of regional development plan with respect to tourism it is necessary for the country to be divided into zones, and each zone given a priority rating. Investment can then be directed into the pre-selected priority zones. Zones which are considered likely to have a greater benefit to the nation if developed for agricultural or industrial purposes can then have investment channelled for that type of development.

Now another aspect is that of manpower training is of paramount importance for the tourism sector of developing countries. Training has formal education, non-formal educational and public educational aspects. Special schools or special programmes in the already established educational institutions are needed for the training of high level professionals. Training for upgrading the existing personnel is also important. The
provision of an adequate quantity of manpower of the right skills is clearly one of the biggest tasks facing tourism administrators. Country's approach to manpower training must be individual, particularly at the lower levels where people are changing from occupations in areas such as agriculture to tourism. The initial process in the establishment of manpower needs is, however, common to all countries. There are three steps:

(i) to draw up forecasts of tourist flow,
(ii) to examine basic inventory of tourism sector manpower and to calculate additional staff requirements, by type, year and region,
(iii) to establish training schemes to produce the required output, these to be tailored to the circumstances and nature of the country's tourism sector.

It is recommended that India should establish a section or department within the national tourism administration to handle the training function. In addition, the following suggestions need active implementation:

(a) Trained staff requirements should be forecast regularly and schemes established geared to the phase of tourism development in the country concerned;
(b) Self-sufficiency in training staff in all sectors should be the aim of the tourism department.

For all that, we should (i) set up training schools for both
services and managerial/supervisory staff. (ii) oblige foreign tourist operators to institute their own training schemes for local staff, (iii) seek to establish tourism degree courses at universities, (iv) establish on the curricula of secondary schools courses on tourism.

Training schemes should be aimed at encouraging the upward mobility of tourism employees and alleviating the problems of seasonal unemployment.

Data compilation must be improved

There are many examples of cost benefit appraisals of specific resort or infrastructural (e.g. airports) developments, but the task of devising an accurate and comprehensive methodology for undertaking an assessment of the economic and social impact of international tourism on a national or even regional basis has defeated tourism administrations. The efforts which have been made are isolated ones with tourism administrations. The efforts which have been made are isolated ones with no follow-up or based on weakly supported claims and counterclaims (particularly applicable to social/cultural impact analysis).

The ignorance of administrators and the poor quality of the data base are closely related. Until the data base is improved, the awareness amongst tourism officials of the impact of tourism will not materially advance. Statistics required for the measurement and assessment of tourism fit into two categories:
first generation dealing with direct tourist flows, and second generation covering the impact areas of tourism. The following list of information represents the minimum second generation data which the developing countries should compile on a regular basis:

(a) Employment broken down by sex, age, groups, job type, permanent/temporary, full time/part time, seasons, regions, skilled/unskilled, local expertise.

(b) Census of population.

(c) Household budget survey or consumer expenditure survey of domestic population (needed for input/output analysis) including a measure of the amount spent abroad.

(d) Domestic savings (usually shown as a residual which is inadequate.

(e) Breakdown of tourist businesses' costs according to electricity, light, water, sewage, etc., supplies: labour, administration and marketing. The split between local produce and imports is essential. The tourism department can assist the Central Statistical Office in collecting this information through a regular (like annual) survey.

(f) Balance of payments data.

(g) Tourist expenditure analysis (Ministry of Finance to serve as a crosscheck on Tourism Department survey information) showing tourist spending as a percentage
of total movement on goods and services, required for primary, secondary and tertiary sectors.

(h) Government revenue showing all categories including customs duties by item and land tax by source. A list of establishments is needed for each category of customs duty. This acts as a check on what the businesses say in the costs survey.

Specialist degree courses

Whilst some overseas experience is essential to enable the staff of developing countries administrations to do their work most effectively, it is recommended that developing countries should aim towards establishing degree courses in tourism studies and hotel and travel management, so that prospective staff and tourism enterprise management can gain a comprehensive basic background.

It is recommended that a general tourism course should be introduced in secondary schools in developing countries which may explain the tourism phenomenon at an early age. This will reduce the possibility of social friction between tourist and host.

It is also important for developing countries to encourage the upward mobility of their tourism sector staff. Low season spare time can be used for extra training, thereby both improving the capabilities of staff and keeping them occupied.
The seasonal unemployment problem can be overcome by training hotel staff in other tourist related skills.

One of the principal factors leading to the substantial leakage of gross tourism earnings from developing countries is the lack of backward linkages between tourism and other sectors in the economy, i.e. the economies of developing countries are not geared to supply the quality to satisfy the demand created by tourism. Government action should be designed to increase self-sufficiency, thereby maximising foreign exchange earnings and income, the following are the recommendations:

(i) Assessment of the economic feasibility (human and natural resources, finance, etc.) of local development in sectors such as cement, steel furniture, fibre glass, glassware, cutlery, linen, air conditioning equipment, water cleaning systems, ceramics (all required in hotel construction, furnishing and fitting), vehicles, vegetables and fruit, beverages, handicrafts and souvenirs.

(ii) Through the medium of the feasibility scheme for tourism developments encouragement of the use of indigenous architecture, design and materials.

Incentives which can be given to promote tourism could be a favoured method of creating the conditions to achieve a given objective to encourage foreign (and domestic) investors through financial incentives. However, the tendency in the tourism
sector has too often been to offer tax exemptions, grants, credit facilities and so on, on an unresearched, blanket basis because the neighbouring countries does so. Therefore, it is recommended that, whilst incentives should be considered, the following procedure should be adopted to ensure that incentives are geared to attracting the necessary investment with the minimum loss of revenue to the developing economies:

(a) Examine the performance of other countries' incentive schemes in the light of their resources and development objectives.

(b) Research and the actual needs of potential investors.

(c) Design codes of investment concessions related to specific development objectives, with precise requirements of the investors (e.g. in terms of job creation).

(d) Establish targets of achievement and periodically monitor and assess the level of realisation of such targets.

It is recommended that if economic benefits are to be maximised and deleterious social and cultural impacts minimised, then top priority must be given to ensuring that all developments, whether proposed by foreign or local concerns, fit within the country's tourism plan. To this end, a strict vetting process is required. This envisages a three step scrutiny.
(a) The proposer should submit a full, long term feasibility study, as a prerequisite to the granting of planning permission.

(b) The calculations of this study should be subjected to full social cost benefit analysis to avoid the allocation of government support to projects which are not in accordance with the tourism master plan or which are poorly researched.

(c) The proposer should provide full details of the organisation to be responsible for the management and operation of the proposed development in order that its experience and competence for such a venture may be checked.

Distribution and marketing of developing countries tourism product

Developing countries tourism administrations are going to have to deal increasingly with foreign tour operators in the coming years. It is recommended that developing countries should concentrate first and foremost on regulating the volume and type of tourism they permit in order to achieve maximum social and economic benefits. One obvious way for developing countries to try to tilt the balance more in their favour is to enter directly the tour operating market themselves. In suggesting ways in which developing countries might be able to exercise more control over, or at least influence, the activities of foreign tour
operators, it must be recognised that the laws of supply and demand are paramount. By adopting the suggested measures and, particularly, by grouping together on a regional basis, developing countries can help to reduce the problems associated with tour operators, but the fact remains that if there are more hotel beds than tourists, then no firm control over foreign tour operators is going to be feasible. The suggested measures are as follows:

(i) Introduction of an annual licence. Foreign tour operators will have to deal directly with developing countries tourism departments, thus giving the latter the opportunity to influence the type of tourist attracted, the itineraries/programmes featured and the codes of conduct followed with respect to contractual arrangements and payment methods.

(ii) Establishment of a standard hotel booking contract form. This can have a double advantage: it can benefit the developing countries by requiring foreign tour operators to enter into fixed contracts for their hotel beds rather than loose, volume related arrangements, and, at the same time, it can ensure that the foreign tour operator gets his beds by eliminating the increasing problem caused by destination hoteliers doubleletting their accommodation as a safeguard against late cancellations.

(iii) Introduction of legislation to require foreign tour operators to base a significant proportion of their planned
departures on the developing countries charter airline or, requirement for a royalty payment from an approved list of foreign charter airlines.

Close liaison with neighbouring countries on a regional basis is essential cooperation, even international collaboration may prove necessary. The closer alliance of developing countries tourism administrations and foreign tour operators may be achieved in various ways as:

(a) joint conferences to debate tourism policy and legislation.
(b) Joint programme design and promotion.

STATE'S DIRECT EXECUTIVE INVOLVEMENT

Local control is of major importance

Maximum retention of decision-making and ownership of developing countries tourism products at the local level is, a key objective for the developing countries seeking to maximise the economic benefits to be gained from tourism at the same time as minimising the economic benefits to be gained from tourism at the same time as minimising the social and cultural problems. The consequence of pursuing such a policy is that the onus for providing facilities and amenities in sufficient quantity and to acceptable standards rests upon the state. Where local private sector participation is insufficient or inadequate, the state
is required to make direct intervention.

It is almost certainly the case that can only effectively control their tourism development in the long term, by entering the market at each level of distribution. The view is that the state's role in the marketing of its tourism product must cover each aspect, i.e. distribution channels, advertising, public relations, personnel, advertising and sales promotion.

FOREIGN EXCHANGE

Measures to ensure the maximum inflow of foreign currency

The developing countries are already active in respect of the operation of measures to ensure maximum foreign exchange earnings. Many countries limit the amount of their own currency which a tourist may bring in / take out to ensure that foreign currency is exchanged in the country, many, troubled by a currency black market, require foreign tourists to pay hotel bills in foreign currency or with local currency for which proof is available that the exchange was made at a bank or an official bureau. Some try to prevent, or reduce, the funding of tourists' visits by local residents by stipulating a minimum daily expenditure of foreign currency or, more frequently, check upon entry that the incoming tourist has sufficient funds for his proposed stay.
TOURISM'S SOCIAL AND CULTURAL IMPACT

Understanding tourism's impact on employment, energy usage, the environment and political relations require greatly increased research and educational efforts on the part of political and economic scientists. . . . . as tourism continues to grow, its negative aspects in each particular region must be identified and steps taken to protect the legitimate interests of local residents. The government and private interests have a responsibility to plan and manage tourism in a manner that assures maximum social and economic benefits with minimum cultural disruption or environmental damage.

There are four facets for improving the developing countries assessment of the costs and benefits of international tourism: awareness of the issues to be considered, cost benefit appraisal methodology, individual country analysis, iterative analysis. The inadequacies of alternative methods (including the multiplier because of the danger of it overstating the benefits accruing from tourism) make a social cost benefit analysis approach the only (partly) effective means currently available of assessing the impacts of the multifaceted tourism sector. Following are the recommendations:

1. The developing countries tourism department should establish the machinery (manpower, data collection, etc.) to undertake social cost benefit analysis both of the tourism sector as a whole and of each important proposed new tourism development.
2. The methodology needs to be tailored to each country's particular situation.

3. The assessment of tourism's total impact on the nation must be an iterative, regular (say, annual) basis rather than as a once-off, ad hoc study. In this way the analysis can be taken account of in each phase of the planned programme (perspective plan, master development plan and annual programme).

4. Research needs to be undertaken into the patterns of development on an inter-country basis to determine the usefulness of structural analysis of tourism.

5. Environmental impact studies should be undertaken as part of the social cost benefit analysis for each important proposed new development plan.
Address for correspondence:  (A self-addressed envelope is enclosed for your convenience).

No. Dated:

To

Subject: QUESTIONNAIRE ON "An Enquiry into the Nature and Problems of Tourism Industry in Developing Economies Particular Reference to Indian Context".

Sir,

I am taking this opportunity to convey that I am conducting a research work on the above-mentioned subject. As your department is directly/indirectly related in this field, may I request you to kindly make it convenient to provide me unbiased information on the enclosed questionnaire. I assure you that the information so provided will be utilised only for the research work and will be kept strictly confidential.

Hope to get a prompt and favourable reply,

With profound regards,

Yours sincerely,

(GULSHAN RAI SHARMA)
QUESTIONNAIRE

Q.1. Is present condition of our tourist places in your state satisfactory? Kindly specify.

Q.2. If not, kindly point out the drawbacks.

Q.3. What are your suggestions for improvement at the tourist places?

Q.4. Are you satisfied and happy with the behaviour of tourist Department employees?
Q.5. If not, kindly let us know what kind of difficulties experienced by you?

Q.6. Give your suggestions for improvement.

Q.7. Are these tourist places equipped with adequate amenities necessary for attracting the tourists to these places?

Q.8. What are your views on improving this system?
Q.9. Are there any complaint books/suggestion books being maintained by all tourist offices?

Q.10. What are the general complaints that are lodged by the tourists in these complaint books maintained at your office?

Q.11. Are you happy with the Budget allotted to your state in the VIIth Five Year Plan 1987-88?

Q.12. If not, how much is your minimum inescapable requirement?
Q.13. Have you planned to add up some thing new to your tourist attractions this year, or are you happy with the existing infrastructures?

Q.14. What are your views on, when most of us hear that North-East part of our country had been a neglected sector, whereas it has much more to give to its tourists that any other part of our country?

Q.15. What do you feel, will we be able to have tourists to North-East Region this year, when Domestic Tourism is being given big boostup in our Country?

Q.16. Do you feel that the state and central governments are extending maximum facilities for the promotion of tourism in the country?
Q.17. What are the basic difficulties experienced by foreigners when they visit India?
   a) 
   b) 
   c) 
   d) 
   e) 

Q.18. Your suggestions on improving the existing system.

Q.19. Are you satisfied with the performance of India Tourism Development Corporation?

Q.20. Do you suggest any plan of re-organisation of India Tourism Development Corporation?
Q.21. Are you in favour of Nationalisation of Tourism Industry?

Q.22. Do you feel that like other European countries as well as USA, the Private Sector of our country should look after Tourism Industry independently as that will bring success in the Industry rapidly.

Q.23. Do you feel that the Travel Agents of our country are not given enough of % as commission, when compared with other countries?

Q.24. What are your views on promotion of Domestic Tourism?
BIBLIOGRAPHY
Aerni, M.J. The Social Effects of Tourism.
Anand, M.M. Tourism and Hotel Industry in India.
Archer, B.H. Demand Forecasting in Tourism.
Bhatia, A.K. Tourism in India - History and Development.
Bernecker, Paul. Methods and Media of Tourist Publicity.
Boyd, H.W., Nestfall, R. Marketing Research.
Burton, T.L. Recreation, Research and Planning.
Colley, G. International Tourism Today.
Chakravorty Railways for Developing Countries.
Chile, S.N. Perspectives on Indian Tourism in India 1981.
Crampon, L.T. The Development of Tourism.
Davis, H.D. Potentials for Tourism of Developing Countries.
Destination India Magazine. (Monthly) Cross Section Publication.
Donald, E. Hawkins. Tourism Planning and Development Issues.
Edwards, Francis, G. How to Focus your Marketing Efforts.
Foster, John. The Sociological Consequences of Tourism.
Gearing Charles, E. Planning for Tourism Development.
Gray, H. Peter. International Travel.
Jafari, J. Role of Tourism in Socio-Economic Transformation of Developing Countries.

John M. Bryden. Tourism and Development.

Kaiser, Charles Jr. and Larry E. Helber. Tourism Planning and Development.

Karan Singh. Indian Tourism - Aspects of a Great Adventure.


Lickorish, L.J. Tourist Promotion and Publicity Media.

Lundberg, D. International Travel and Tourism.


Medlic, S. Economic Importance of Tourism.


Ogilvie, F.W. The Tourist Movement: An Economic Study.

Pearce, Sales, J. Travel and Tourism Encyclopaedia.


Ram Acharya. Civil Aviation and Tourism Administration in India.

Richards, G. Tourism and the Economy.

Robinson, H. A Geography of Tourism.

Seth, P.N. Successful Tourism Planning and Management (1978).

Seth, P.N. Successful Tourism Management (1985).

Ambardar, S.K. Indian Hotel Keeper and Travellers.

TAAI 35 Convention. Ashoka Hotel, Delhi Travel. Mr. Trilok Desai (Bombay).

Travel Trends (Paper). Cross Section Publication.


Vraman Sangi. All India Travel Guide.
Wahale, Salah. Wahale on Tourism Management.
Wahale, Crampon Rothfield. Tourism Marketing.
White, J. History of Tourism.