CHAPTER I

INTRODUCTION

1.1 INTRODUCTION

The early history of tourism is the story of the development of the mobility of man. Both in the pre-historic era and later, man searched for things he wanted, and he travelled for food, shelter or just for curiosity. He was awed and wonder-struck by the vividness of nature and the environment. In due course, other urges, other motivations made man travel from one place to another. Large-scale movements were also caused by natural elements or human pressure, which forced man to move to other locations. The absence of roads or other transport facilities, made travel hard, and this led slowly to the development of land routes, as also of river and sea navigation. Man exploited the facilities, and with the passage of time, this resulted in increased travel for a variety of reasons including wander-lust, conquest, gain and propagation of religion or pilgrimage. The hazards of travel were many, and these often meant death caused by wild animals, marauders, inclement weather, sickness and lack of food and water.

When man moved from country to country, he transformed the entire profile of the countries and changed the racial, religious and linguistic compositions of such locations. Apart from migration, war or religious undertakings, another category of travellers, namely traders gained importance in
due course. Trade became the major initiative for travel from place to place and involved a large number of people. Persons, who travelled for the love of travel or for satisfying their wander-lust, or for increasing their knowledge, however, were a category apart. They were the tourists, and that is how tourism, as it is understood today, came into being.

Three major epochs of tourism may be distinguished. As transport is the essential pre-requisite of tourism, the three epochs can be identified in relation to particular modes of transport. The first epoch was the early pre-railway age upto 1840. The second covers the rest of the railway age. The period between the two world wars which witnessed the development of the private motor car, the bus and the coach, and the period after the Second World War when civil aviation along with private motor car assumed significance in tourism can be called the third epoch.

1.1.1 The Historical Perspective of Tourism

The earliest recorded evidence of tourism could be traced back to the Roman Empire. The Romans visited temples, shrines and baths for health and for amusement. With the fall of the Roman Empire, tourism ceased to exist till the middle ages. In the middle ages, thousands of pilgrims undertook the pilgrimage in spite of the hazardous conditions. The development of trade and commerce and the increasing religious activities added impetus to the movement of merchants,
clergy and pilgrims. During this period pleasure tourism was conspicuous by its absence.¹

Between the sixteenth and eighteenth centuries, specialised education in advanced countries became very common which encouraged the elite to go abroad. Travel was recommended as a part of curriculum development. Foreign travel was a part of education of the aristocratic society in those days.

During the same period domestic travel to sea resorts and hill resorts was popularized on the grounds of health. Gradually, such resorts grew into places of entertainment. Further, the youth far away from home or those on educational tours in foreign countries turned out to be pleasure-seekers, besides being knowledge-seekers due to prolonged exposure to high sophistication.

The Industrial Revolution brought about far-reaching changes in the socio-economic set-up. It resulted in a large-scale migration of people to industrial centres and the urban society eventually developed. The newly-emerged urban society which was comparatively more prosperous and carefree, duly encouraged the development of tourism. Transport facilities also developed to cope with the changing social needs. Gradually organized tours also came into vogue by the end of the 18th century.

The 19th century was particularly significant in the history of tourism in the sense that it was during this period that tourism, as understood today, came into being as professional travel agencies were established. Thomas Cook, an English man organized the first package tour in the 1840s. He had the foresight of providing almost all modern facilities to his ‘customers’. It is his entrepreneurship that primarily made tourism a recognized economic activity.

“In the first half of the twentieth century, tourism grew to new heights due to developments in the transport industry and other factors. Travel by private cars and coaches for the first time became popular in the 1910s. During the world war periods it had a short set-back”.

However, the World War brought about many changes, which led to improved tourism in the post-war periods. The socio-economic changes, such as better standards of living, broader outlook of the people, increasing exposure to outside world, development of different media and infrastructure facilities, reduction in international barriers and the like brought about by the wars resulted in the emergence of a new “global life” and internationalism. By this time travel became an infectious habit of the people. The development of many large travel agencies, transport companies, hotel chains and the like gave a boost to tourism.

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From 1950 onwards, tourism improved greatly, as many governments of the third world countries started patronizing tourism as an important economic activity. As a natural corollary, private individuals and organizations started taking active part in this newly developing industry. All these have given a new direction to the tourism industry today.

1.2 DEFINITIONS AND KINDS OF TOURISM

1.2.1. Definition of Tourism

In contemporary situation, many scholars have tried to define the term ‘tourism’ in their own way.

They regard the practice of touring or traveling for pleasure or recreation and the guidance or management or tourists as a business.

Kunzikes and Krapf have defined tourism as “the sum of the phenomenon and relationship arising from travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected with any earning activity”.\(^3\) This definition briefly covers only a few aspects of tourism, though it has been accepted and adopted by the International Association of Scientific Experts in Tourism. Its main drawback is that it does not take into consideration the spatial, sociological and psychological aspects of tourism.

Zivaddin, who has given due consideration to the sociological aspects of tourism has defined it as “a social movement with a view to rest, diversion and satisfaction of cultural needs”.\(^4\) Similarly, Premault has defined tourism as “exploration of all that is unknown in all spheres of human activities and nature”.\(^5\) Similarly, Norval, who has distinguished himself as an economist and a writer, has defined ‘tourist’ as “a person who comes to a foreign country for a reason other than establishing permanent residence or to work there regularly and who spends in the country of his temporary stay, the money he has earned elsewhere”.\(^6\)

Lickorish has taken a totally new look at tourism. According to him, “All persons staying for more than twelve months and less than twenty-four hours should be excluded from the category of tourists. Those staying for less than twenty-four hours should be treated as excursionists and tourist visitors”.\(^7\) The time dimension contained in this definition is certainly an important aspect of tourism.

Since most of these attempts at defining ‘tourism’ suffer from some defect or other, it has been necessary to evolve an all inclusive definition acceptable to all.

\(^4\)Ibid., p.23.
\(^5\)Ibid
\(^6\)Ibid., p. 24.
\(^7\)Ibid.
1.2.2. Kinds of Tourism

In relation to a given country, the following kinds of tourism could be distinguished.

1. Recreational Tourism

Deviation from the daily routine is a big activity, and majority of the people who have holidays at their disposal may avail travel on various missions. It has been estimated that 75 per cent of the travel in the world is recreational.

2. Adventure Tourism

Adventure is always filled with fun and thrill. The lush greenery of the valleys, splendid sites atop the hills, blue water, sunny days and starry nights, boating, canoeing, trekking, rock climbing and parasailing are the different branches of adventure. Tourism, like a green shawl spread out in the gleaming sunshine, is always an alluring entertainment to visiting adventurists. State governments throughout India have evinced interest in promoting adventure tourism. It can easily attract both domestic and international tourists. In recent times, adventure tourism is becoming increasingly popular in India.

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3. Sports Tourism

International harmony and promotion of peace are the basic goals of the world community. In order to attain these goals, a majority of the member countries are sponsoring sports as an avenue. As far as sports is concerned, both the participants and spectators will win recognition, fame and name along with a possible bonanza. In view of this position, many international events are being organized in a more and more professional and systematic manner. This fetches money in different ways.

4. Health Tourism

Though revolutionary changes have taken place in the medical field, the lure for naïve medicines, especially herbal medicines, still remains very strong even today in countries like India. Hence, people go from one place to another in search of naturopathy, meditation centers, first aid and scenic beauty. This is known as health tourism. Places like Kerala, Karnataka and Andhra attract several thousands of health tourists from places all over the world.

5. Conference and Convention Tourism

This has emerged as a new area in tourism. Since technology has been developing by leaps and bounds, it has become inevitable to exchange views on a wide spectrum of subjects. This calls for national and international conferences,
seminars and symposia. Efforts undertaken to attend them involve air travel and travel in long distance – trains and ships. This could be termed as conference and convention tourism.

6. Cultural Tourism

Travels undertaken to historical places, monuments, art galleries and spiritual centers to gain more knowledge about people around and their respective culture, customs and habits are popularly termed as cultural tourism.

7. Theological Tourism or Religious Tourism

For most people, religion constitutes the crux of their inner, spiritual life. It sustains society. It is not reduced to blind faith or dogma. It creates an urge to unite hearts and thus promotes universal camaraderie and brotherhood. It can be said that from time immemorial, man has been an eyewitness to all kinds of religious activities and expeditions to holy shrines and sacred places. As India is one of the oldest countries reputed for pilgrimage, people from various parts of the world continue to visit it to attain greater religious knowledge and spiritual fulfillment. This points to the fact that there exists a vast scope for the development of religious tourism in India.
8. Educational Tourism

The spread of education worldwide has led to a natural curiosity among people to travel and discover how others live and work. Educational tours are undertaken with the following motives:

1) To see how people fare and work, to satisfy curiosity.
2) To study and explore particular countries, their natural or created sights.
3) To witness events of special interest.
4) To visit cultural, scientific and technical institutions as a prerequisite to learn and appreciate art, music, literature and cultural heritage.
5) Study tours of professionals and
6) Study tours to get higher education.

Educational tours are absolutely essential to widen the frontiers of our knowledge about the world around.

9. Business Tourism

Business journeys are nothing but professional journeys. They do not leave to the person concerned either the choice of destination or the time of his journey, and thus, the fundamental idea of liberty of the individual in tourism is absent.
Business journey is considered to be a major tourist activity because businessmen behave not only as consumers but also as real tourists enjoying the scenic beauty of the places around and the relics of an ancient civilization and culture.

In order to attract more tourists, many countries have established grand convention complexes where all kinds of modern facilities are provided for business meetings, seminars and conventions. Large hotels also provide facilities for conventions as a large number of people travel for business and professional reasons. Conventions and conferences associated with education, commerce, industry, politics and various professions are increasingly being held in various parts of the world. Although some people travel strictly for business purposes, the majority link business travel with pleasure.

Journeys to fairs, trade exhibitions, technical seminars, conferences and professional conventions belong to this category. Because of special facilities, concessional tariffs and social programmes, incentives for business groups and dealers, tourism industry is likely to grow and flourish in future.

10. Winter Tourism

In most of the European countries, winter tourism takes place around the months of December to March. Winter tourism has two prime incentives including the search for snow and the quest for sunshine.
11. Summer Tourism

It takes place during the summer months. The main incentives for this type of tourism are sunshine and bathing, preferably in the sea or waterfalls.

12. Sociological Tourism

It relates to journeys undertaken to visit friends or relations as well as journeys for the purpose of social prestige or as a status symbol. This factor is found more popular in many societies, particularly the most affluent ones.

13. Popular Tourism

It denotes an activity noted for its attractiveness. Eg. To watch outdoor cinema shootings.

14. Metropolitan Tourism

Visiting capitals is known as Metropolitan Tourism. It is based on historical and cultural entertainment and shopping attraction.

15. Domestic Tourism

Domestic tourists traveling within their countries form the bulk of world’s tourist traffic.

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16. International Tourism

Recognising the importance of international tourism in earning foreign exchange and thereby making a major contribution to the national economy as well as creating international goodwill and understanding, high priority is being accorded to the development of international tourism.

17. Holiday Tourism\(^1\)

Leisure time can be grouped under three categories. They are

a) after work leisure time,

b) weekend leisure and

c) holidays.

After work leisure time is spent in activities like watching a movie or television, reading books or strolling. In most of the developed countries, weekends are meant exclusively for sight seeing, for pleasure trips and so many other types of enjoyment. Age is no bar for such kinds of enjoyment. This is perhaps one of the reasons why tourism has flourished beyond measure.

The term ‘Holiday’ derived from ‘Holy Day’, is associated with religious observances. In Rome, the most enjoyable public holiday was the ‘Selunatra’ –

the feast of Saturn celebrated in December, when all classes of the population indulged in feasting and frolic.

In 1552 in England, an Act was passed during the reign of Edward VI “for keeping holidays and fasting days”. Subsequently, public and semi-governmental offices in England frequently closed on certain saint’s days.

Nowadays the term holiday is used, generally, in a secular sense meaning a respite from the routine of daily workaday life and a time for leisure, recreation and amusement.

The Industrial Revolution brought tremendous changes in society. It threw up a number of factory towns. In the beginning, the working class was burdened with long working hours and poor living conditions. Sudden concentration of population in towns and cities created unhealthy social conditions. So the need for escape became even more acute. Subsequently, as the tempo of industrialization grew, the workers’ demand for more and more leisure took an uphill trend. Thus, holidays gradually became an essential part of the day-to-day life of the working classes. Various laws were passed by the governments of different countries to grant holidays to employees.

The concept of modern annual paid holiday is very largely an outcome of the industrial revolution. The introduction of annual holidays in Europe was
another important landmark that encouraged many people to undertake travel in large numbers. The annual holiday was the forerunner to the paid holiday which was responsible for an extraordinary growth of tourism. The introduction of annual paid holidays in England had a great impact on tourism. In 1936, the International Labour Organisation also endorsed the idea of paid holidays.

The concept of paid holidays has earned universal recognition now, as employers have realized that paid holidays have not affected industrial production. As a result of industrialization and introduction of factory laws, the concept of paid holidays gained greater acceptance. As labourers are getting holidays with pay, they automatically become inclined to move away from the factory environment at least for a short period. Thus, the concept of paid holidays has promoted the modern concept of tourism.

Holidays are instruments of a healthy change and these holidays are spent by various sections of people for rest and relaxation. For the workers, economic factors weigh heavily on planning and undertaking a holiday, which on account of their paucity of time, opportunity and inadequate financial conditions may prevent holidays to be accepted and enjoyed as desired. Some seek a complete change of environment. Holidays in the past were increasingly organized in association with the sea surf, mountains and forest. More and more recreational facilities and
relevant infrastructures have grown up to meet the requirements of the vacation-seeking tourists.

The concept of paid holidays originated with the advent of industrialization in the West. It has given modern tourism a tremendous boost.

By the year 1939 in U.K, some 11 million people enjoyed their holidays with pay. In many countries, the minimum paid holidays were three weeks. Sweden passed a legislation and introduced an additional week of paid holidays. World-wise, more than 500 million wage-earners are entitled to paid holidays. Considering the socio-economic importance of tourism both private and public sectors have launched various programmes to promote tourism industry. International tourist arrivals for the world as a whole have been on the increase since 1951.

Tourism and holidaying on national as well as international levels is a manifestation of peace and prosperity around the globe. Tourism prospers on a large scale when people enjoy security and prosperity.
18. Mass Tourism\textsuperscript{11}

Large-scale movement of travelers and the development of a standardized product is known as mass tourism.

1.2.3. The Basic Components of Tourism\textsuperscript{12}

Tourism cannot be studied in isolation. It has to be studied with special reference to

1) Transport, 2) Location, 3) and Accommodation

Tourism is not possible without a convenient and comfortable mode of transport. A tourist should be able to find out a suitable mode of transport to reach his destination; this mode of transport may be a motorcar, bus, a deluxe coach, an aeroplane, a ship or a train which enables a tourist to reach his desired destination. Tourist resorts offer natural attractions, that is, locations like sunshine, scenic beauty or sporting facilities. Another basic necessity is accommodation. It is very essential for providing food and also rest. Location is the most important aspect of these components. Without these basic facilities, a tourist will not be motivated to go to a particular place.

\textsuperscript{11}Aseem Anand, \textit{Advance Dictionary of Tourism}, Sarup and Sons, New Delhi, 1997, p.203.

World Tourism Day\textsuperscript{13}

September 27 is usually celebrated as ‘World Tourism Day’ all over the world every year.

Year of Tourism\textsuperscript{14}

The Government of India declared the year 1991 ‘Visit India Year’ with the intention of giving greater importance to tourist promotion. It directed all the state governments to reduce imposition of heavy taxes on tourist goods and also the Indian Airlines in order to accommodate tourists on a priority basis. Further, it announced many concessions and privileges to the tourists who visited India during the year 1991. As a result, tourism in India made a remarkable progress in the subsequent years.

Policy Initiatives

The new tourism policy was released in May 2002. the new policy is built around the 7-s mantra of SWAAGAT (Welcome) Soochanna (information) Suvidhaa (facilitation) Surakshaa (Security) Sahyog (Cooperation) Sanrachnna (infrastructure) Safaai (cleanliness).


\textsuperscript{14}\textit{Ibid.}, p.103.
Travel Motivations\textsuperscript{15}

Travel motivators are those factors that create a person’s desire to travel with the advent of mass tourism, especially after the Second World War. Various studies have been made to find out the reasons as to why people wish to travel and become tourists.

Mc Intosh has stated that basic travel motivators may be grouped into the following four categories:

i) Physical motivators dealing with individuals associated with physical relaxation and rest, sporting activities and specific medical treatment. All are connected with the individual’s bodily health and well being.

ii) Cultural motivators dealing with personnel connected with the individual’s desire to travel in order to learn about other countries and their people and cultural heritage expressed in art, music literature, folklore etc.

iii) Interpersonal motivators dealing with those burdened with a desire to visit relatives, friends, or to escape from one’s family, workmates or neighbours, or to meet new people and forge new friendships or simply to escape from the routine of everyday life.

iv) Status and prestige motivators dealing with individuals identified with the needs of personal esteem and personal development. These are related to travel for business or professional interests, for the purpose of education and the pursuit of hobbies.

**Factors Influencing Tourism**

The growth of tourism could be attributed to a number of factors. The most important among them would include

i) Pleasing Weather

ii) Scenic attractions

iii) Historical and Cultural factors

iv) Accessibility

v) Amenities

vi) Accommodation

i) Pleasing Weather: Good and favourable weather is the main source of joy and pleasure. It is naturally one of the most important and vital attractions of any tourist place anywhere in the world. Fine weather with warm sunshine is a God-given gift of nature. For holidaying or for a picnic, good weather is mainly the most important ingredient as it plays an important role in making holidays or a picnic a pleasant or an unpleasant experience.

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ii) Scenic Attraction: Like good weather, scenic attractions too are equally important for tourism development. Scenery or landscape comprising mountains, fountains, lakes, valleys, waterfalls and glaciers and forests, deserts and the like are major tourist attractions.

iii) Historical and Cultural Factors: Historical and cultural factors also largely add to tourist interests. A fairly large number of tourists are attracted every year by places of historical importance like the birth place of William Shakespeare in England, or the city of Agra in India because of the world’s wonder Taj Mahal or Pisa in Italy because of its famous leaning tower. Thousands of tourists visit India because of her long historical heritage.

iv) Accessibility: Accessibility means an easy and comfortable approach to a tourist spot. It is an important factor as it is a means by which a tourist can reach in comfort an area where the chief sources of attraction are located. Easy accessibility is an important factor for the growth and progress of tourist movements.

v) Amenities: ‘Amenities’ means facilities provided to tourists in tourist centres. In a seaside resort, facilities like swimming or boating, yachting or surf-riding and similar facilities like dancing, recreation and amusements are absolutely essential. Amenities are a must for any tourist center. They could be studied under two heads.
A). Natural: Natural amenities would include a clean beach for parking, sea bathing, fishing, climbing, trekking and viewing the sun rise and the sun set.

B. Man-made: Amenities, on the other hand, would include entertainments and centers for amusement, stay, catering, and advanced reservations.

vi) Accommodation: The word ‘accommodation’ is generally used to include boarding and lodging. Tourist Centres can easily find a place in the international map by the international standards mentioned by these boarding and lodging facilities.

The Environment

The link between tourism and environment has been widely accepted. Both natural environment in the form of land, water, flora and fauna, and the man-made environment which includes buildings and roads form the foundation of the tourism industry. A good deal of tourism relies upon resources or assets. This is true as much tourism is dependent on natural environment. In the absence of attractive environment, tourism rarely succeeds as this is one of the vital things which tourists look for in a destination.
1.3 SUSTAINABLE DEVELOPMENT OF TOURISM

The satisfaction of human needs and aspirations is the major objective of development and sustainable development has gained much popularity among the economists in recent times. Now it is expected that tourism as a major economic activity can also be developed in line with this philosophy. The term sustainability has been used with varied connotations and meanings such as survival, enduring and lasting, to keep in being, ecologically acceptable production etc.

The concept of sustainable development has been placed on the global agenda since the 1992 Earth Summit at Rio. Any society setting itself the goal of sustainable development should develop economically and socially in such a way that it minimizes those activities the costs of which are borne by future generations. Deteriorating environment and loss of natural resources represent one of the main ways in which the present generation is creating uncompensated future costs. Hence, the conservation of natural resources and the environment is crucial to achieving sustainable development.\(^\text{17}\)

The World Commission on Environment and Development (WCED) defined, sustainable development as development that meets the needs of the present without compromising the ability of future generation to meet their own

needs. The exploitation of resources, direction of investments, the orientation of technological development and institutional changes must work in harmony and enhance both current and future potential to meet human needs and aspirations.

The rationale of Brundt Land Commission (WCED) Report is to raise the standard of living of the least advantaged in society, while at the same time avoiding uncompensated future costs.

Modern tourism industry heavily depends on outstanding natural features and unique cultural aspects. Sustainable development of tourism aims at the continuous maintenance of these along with equitable distribution of socio-economic benefits of tourism to the resident population at the destination. The Globe 90 Conference on Environment and Industry defined sustainable tourism as the management of tourism resources in such a way that it fulfils economic, social and aesthetic needs while maintaining cultural integrity, essential ecological process, biological diversity and life support system.

From an ecological perspective, sustainable development of tourism means conserving the productive basis of the physical environment by preserving the

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integrity of the biotic and ecological process as and producing tourism commodities without degrading other values.\textsuperscript{20}

Ecotourism is led by motives like spirit of enquiry, love of beauty, search for knowledge and respect for nature. It aims at quality tourism which creates minimal damage to the natural, social and cultural environment. The Ecotourism Society says that nature travellers must contribute to a sustainable future for the destinations they visit. They are expected to make donation to conservation projects, contribute time to reforestation and participate in conservation projects. Appropriate local management and skill can satisfy both the visitor and local community.

Thus ecotourism, done well, can be sustainable. It promises employment and income to local communities and much needed foreign exchange to national governments, while allowing the continued existence of natural resources. If properly developed and managed, ecotourism and conservation can be compatible, complementary and sustainable. The experience of different countries on ecotourism shows that it is growing as a big business. How to conserve the ecosystem while promoting tourism is the major question facing the developing economies. A happy co-existence of tourism and environment is the crux of

\textsuperscript{20}Hall, Michael, “Ecotourism in the Australian and New Zealand Antarctic Islands”, \textit{Tourism Recreation Research}, Vol. XVIII, No. 2, 1993, pp. 36-48.
ecotourism. This calls for careful planning and management of the natural endowments.

1.4 ECONOMIC SIGNIFICANCE OF TOURISM

For India, tourism generates the highest net foreign exchange. It is the low-cost high yielding industry where the outflow being low, the gross earnings and net earnings are quite close. Tourism perhaps is the only area where developing countries are on par with or even above the developed countries. India is in a position to offer avenues of tourism activities and relaxation. Many economies today are dependent upon tourism for foreign exchange earnings. For India, tourism is a major source of foreign exchange earnings. It helps to correct adverse trade balances and regional imbalances.

International tourism receipts totalled over US$ 297 billion in 1992 with developing countries accounting for 25.2 per cent of the total.\(^\text{21}\) Developing countries use tourism to generate foreign exchange, to increase employment, to attract development capital and to promote economic independence.\(^\text{22}\)


The following table presents details:

**TABLE 1.1**

**SHARE OF INDIA IN THE WORLD TRAVEL RECEIPTS**

(In million US Dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>World Travel Receipts</th>
<th>Travel Receipts in India</th>
<th>Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-96</td>
<td>276.9</td>
<td>1.86</td>
<td>0.67</td>
</tr>
<tr>
<td>1996-97</td>
<td>315.4</td>
<td>2.126</td>
<td>0.67</td>
</tr>
<tr>
<td>1997-98</td>
<td>321.9</td>
<td>2.124</td>
<td>0.66</td>
</tr>
<tr>
<td>1998-99</td>
<td>354.9</td>
<td>2.272</td>
<td>0.64</td>
</tr>
<tr>
<td>1999-00</td>
<td>406.5</td>
<td>2.583</td>
<td>0.64</td>
</tr>
<tr>
<td>2000-01</td>
<td>436.5</td>
<td>2.832</td>
<td>0.65</td>
</tr>
<tr>
<td>2001-02</td>
<td>439.7</td>
<td>2.889</td>
<td>0.66</td>
</tr>
<tr>
<td>2002-03</td>
<td>442.5</td>
<td>2.948</td>
<td>0.67</td>
</tr>
<tr>
<td>2003-04</td>
<td>456.3</td>
<td>3.009</td>
<td>0.66</td>
</tr>
<tr>
<td>2004-05</td>
<td>474.4</td>
<td>3.168</td>
<td>0.67</td>
</tr>
<tr>
<td>2005-06</td>
<td>462.2</td>
<td>3.042</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Source: 1. World Tourism Organisation.  

The most substantial benefit of international tourist inflow is the foreign exchange earning of the country. Over the years, this benefit has significantly increased and is comparable to some of the merchandise exports. Despite this impressive growth, the country’s earning from this sector accounts for about less than 0.70 per cent of the World Trade Receipts since 1995.
Receipts from foreign tourist arrivals in India grew throughout the nineties. The annualized basis receipts from foreign tourists grew by as much as 45 per cent a year through the decade. Receipts surged from $1.86 million in 1995-96 to $3.04 million in 2005-06.

**Foreign Exchange Earning**

Table 1.2 shows the foreign exchange earned by India through tourism.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Year</th>
<th>Amount (Rs. in crores)</th>
<th>Change over the Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1995-96</td>
<td>2613</td>
<td>--</td>
</tr>
<tr>
<td>2.</td>
<td>1996-97</td>
<td>3773</td>
<td>30.74</td>
</tr>
<tr>
<td>3.</td>
<td>1997-98</td>
<td>4093</td>
<td>7.81</td>
</tr>
<tr>
<td>4.</td>
<td>1998-99</td>
<td>4500</td>
<td>9.94</td>
</tr>
<tr>
<td>5.</td>
<td>1999-00</td>
<td>7424</td>
<td>43.42</td>
</tr>
<tr>
<td>6.</td>
<td>2000-01</td>
<td>8635</td>
<td>14.02</td>
</tr>
<tr>
<td>7.</td>
<td>2001-02</td>
<td>10232</td>
<td>15.60</td>
</tr>
<tr>
<td>8.</td>
<td>2002-03</td>
<td>10880</td>
<td>5.95</td>
</tr>
<tr>
<td>9.</td>
<td>2003-04</td>
<td>12064</td>
<td>9.81</td>
</tr>
<tr>
<td>10.</td>
<td>2004-05</td>
<td>13166</td>
<td>8.37</td>
</tr>
<tr>
<td>11.</td>
<td>2005-06</td>
<td>14181</td>
<td>7.15</td>
</tr>
</tbody>
</table>


Figure 1.1 throws light on the facts.
Figure 1.1
Foreign Exchange Earnings Through Tourism from 1995-96 to 2005-06
Table 1.2 shows that earnings from foreign tourist arrivals had grown strongly in the nineties and contributed to over 14,000 crores a year in the recent past. This had become a very significant revenue as a major part of the country’s foreign exchange reserves.

The travel and tourism business in India constitutes a pathetic 0.38 per cent of the trillion-dollar world tourism industry and had remained stagnant over the past decade. Despite this, it is the third largest foreign exchange earner approximately Rs.14,000 crores during 2005-06. However, it is an industry that is far from realizing its full potential to become the biggest source of revenue.

India earned about Rs.12064 crores of foreign exchange during 2003-04. The share of Tamil Nadu was Rs.2128 crores in the same year from tourism industry. The Tamil Nadu state government has earned a revenue of Rs.68.9 crores through luxury tax from hotel industry both from domestic and foreign tourist arrivals of Tamil Nadu.

Gross State Domestic Product in Tamilnadu (GSDP)

The Gross State Domestic Product of Tamilnadu is the summation of contribution made by primary sector, secondary sector and tertiary sector. The

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primary sector includes agriculture and allied activities, whereas the secondary sector consists of manufacturing firms, electricity, water supply and construction. The tertiary sector includes trade, hotels and restaurants, railways, transport by other means, storage, communication, banking, real estate, public administration and other services. Tourism is a part and parcel of the tertiary sector. The importance of the tertiary sector in GSDP is analysed and presented in Table 1.3.

**TABLE 1.3**

**GROSS STATE DOMESTIC PRODUCT'S (GSDP) GROWTH PERFORMANCE SECTOR-WISE IN TAMILNADU**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Sector</th>
<th>2003-04</th>
<th>% change over the previous year</th>
<th>2004-05</th>
<th>% change over the previous year</th>
<th>2005-06</th>
<th>% change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Primary</td>
<td>14934</td>
<td>8.53</td>
<td>16197</td>
<td>8.46</td>
<td>15387</td>
<td>-5.00</td>
</tr>
<tr>
<td>2.</td>
<td>Secondary</td>
<td>25749</td>
<td>2.55</td>
<td>26261</td>
<td>1.99</td>
<td>29174</td>
<td>11.09</td>
</tr>
<tr>
<td>3.</td>
<td>Tertiary</td>
<td>35451</td>
<td>12.03</td>
<td>38385</td>
<td>8.28</td>
<td>42311</td>
<td>10.23</td>
</tr>
<tr>
<td></td>
<td>GSDP</td>
<td>76134</td>
<td>7.97</td>
<td>80843</td>
<td>6.19</td>
<td>86872</td>
<td>7.46</td>
</tr>
</tbody>
</table>


Following bar diagram adds clarity:
Figure 1.2
Gross State Domestic Product's (GSDP) Growth Performance - Sector-wise in Tamil Nadu

Year
Primary
Secondary
Tertiary

Rs. in Crores
0
5000
10000
15000
20000
25000
30000
35000
40000
45000

2003-04
2004-05
2005-06

Primary
Secondary
Tertiary
The contribution of tertiary sector to Gross State Domestic Products increased from Rs.35,451 crores in 2003-04 to Rs.42,311 crores in 2005-06. The percentage of the tertiary sector to the Gross State Domestic Product in 2003-04 was 46.56 per cent which later increased to 48.70 per cent in 2004-05. The annual increase in tertiary sector in 2003-04 was 12.03 per cent which declined to 10.23 per cent in 2005-06. In 2005-06, the contribution of primary, secondary and tertiary sector were 17.71, 33.59 and 48.70 per cent respectively. It reveals the importance of the tertiary sector in Gross State Domestic Product.

**Tourism and Employment**

Ministry of Tourism, Government of India has estimated that every Rs.10 lakhs invested in tourism created 47.5 jobs. The same amount if invested in agriculture and manufacturing sector can create only 44.7 and 12.6 jobs respectively. Today, the direct employment generated by tourism is estimated to be 164.5 lakhs. Indirect employment is much higher at 223.7 lakhs. A sample survey by the World Tourism Council, which uses a methodology called “Tourism Satellite Account” concludes that jobs generated by tourism could rise from today’s 2.4 per cent to 6.8 per cent in ten years which means 80 lakhs new jobs. Similarly, in respect of hotel industry, it is estimated that an investment of Rs.10 lakhs will give direct employment to 12 persons, and five rooms in a five star hotel on an average give direct employment to eight persons. The National
Development Council had approved the 10\textsuperscript{th} Five Year (2002-2007) Plan on 21.12.2002, targeting employment for five crore persons and obviously, the tourism industry is bound to play a very significant role in the massive task.\textsuperscript{25}

**The Multiplier Effect**

It is evident that earnings from tourism occupy an important place in the national income of a country. Without taking into account receipts from domestic tourism, international tourism receipts alone contribute a great deal. The flow of money generated by tourist-spending multiplies as it passes through various sections of the economy. The benefits from infrastructure investments primarily for tourism-airports, roads, water supply and other public utilities are widely shared by the other sectors of the economy.

**Negative Impact of Tourism on Society**

Tourism is not an unmixed blessing. Environmental degradation is an extension of ecological degradation. Environment pollution takes place on a very high scale in most tourist destinations. Commercialization of culture is the most serious of all ill-effects of tourism. Often the five-star tourism does not simply develop along the cultural way of the local community, but it slowly undermines and destroys it. Nudism, drug abuses, flesh traffic and the like are some maladies

\textsuperscript{25} Department of Tourism, Government of Tamil Nadu, Tourism Policy Note for 2001-02, p.3.
that tourism industry imports into the host community. Favoritism to foreign tourists against local community leads to social tensions, and in some places the local population turns hostile to foreign tourists. All these negative impacts of tourism can be minimised by proper planning for tourism development.

1.5 INDIA TOURISM DEVELOPMENT CORPORATION (ITDC)

The role of ITDC in promoting tourism is significant. In 1963, the Government of India appointed a committee to suggest ways and means for the development of tourism under the Chairmanship of Justice Jha. It recommended the establishment of 3 separate corporations such as 1) Hotel Corporation of India Limited, 2) Indian Tourism Development Corporation Limited and 3) India Tourism Transport Undertaking Limited.

The main functions of these corporations were to promote tourist amenities such as construction of star hotels in Public Sector arranging easy transport facilities to the tourists and making arrangements for amusement as well. Subsequently, in October 1966 for the effective functioning of the department of tourism, it was decided to start the Tourism Development Corporation with headquarters at Delhi. According to the original plan, it should function under the Director of the Department of Tourism.

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The activities of the ITDC can be classified into the following:

1. Promotion of tourism by construction and management of hotels, motels, restaurants, tourist bungalows, guest houses, beach resorts and the like.

2. Making suitable arrangements for providing easy means of transport facilities.

3. Making provision for entertainment to tourists by organising cultural shows, music and dance programmes.

4. Establishing shopping facilities to tourists.

5. Provision of publicity about the tourist potentiality of India.

6. Establishing an institute to undertake research on tourism.

After the establishment of ITDC, the promotion of tourists got a great encouragement and it provided a wide range of services.

**Tamil Nadu Tourism Development Corporation (TNTDC)**

In 1968, the Government of Tamil Nadu established a separate department of tourism at Madras. The government initially allotted Rs.50 lakhs to this department. It also provided an emblem ‘Amberala’ and initiated suitable measures for its rapid progress. However, in 1971 the government created the
Tamil Nadu Tourist Development Corporation with the main objective of promoting tourism in Tamil Nadu. Its main objectives were

1. Construction of Star Hotels, Rest Houses, Youth Hostels, Boat Houses and Wildlife Sanctuaries.

2. Establishment of information offices at important places within the state and also at Delhi, Bombay, Calcutta and other tourist offices at Madurai, Chidambaram, Tirunelveli, Madras, Mamallapuram, Ooty, Tirchy and Salem.

The Department of Tourism in Tamil Nadu is now functioning under a Cabinet Minister followed by a Secretary and one director, few joined directors, deputy directors and assistant directors. The services offered by TNTDC are much sought after by domestic as well as foreign tourists. Further, TNTDC offers a number of coach tours at reasonable cost. It operates more than 27 types of coach tourists from Chennai. The corporation has luxury coaches which include A/C coaches. Also, during tourist seasons the State Transport Corporation operates special bus services to the tourist places and places of fairs and festivals.

The TNTDC operates hotels for the benefit of tourists. It established ‘Hotel Tamil Nadu’ in important cities and tourist centres.
The TNTDC is a pioneer in providing inexpensive, clean and comfortable dormitory accommodation for the tourists. It maintains youth hostel and travellers’ bungalows at many places. It also provides boating facilities at Ooty, Yercaud and Pichavaram.

Apart from these activities, every year the TNTDC celebrates the trade fair at Chennai, the summer festival at Courtallam, flower show at Ooty and Kodaikanal, Pongal festival at Tanjore and tourist week throughout the state. These festivals attract lakhs of people from far and near.

The TNTDC also brings out every year brochures, guides, posters pictures, post cards, pamphlets, magazines and films of outstanding quality. It has opened information centers at Malaysia and Mauritius. It intends opening similar centers at Simla, Singapore and African countries.

As the TNTDC treats tourism as an industry, for all practical purposes, tourism has flourished beyond measure in Tamil Nadu.

**Smokeless Industry**

Tourism is in fact a smokeless industry. It earns over Rs. 3300 crores annually for India.
Tourism and Five Year Plans

India adopted a policy of development through planning in 1952. During the First Five Year Plan, programmes of tourism development were brought to the notice of people. During the Second Plan in 1957-62, the strides of progress made by the tourism industry were quite moderate. Development had a beginning with the provision of basic infrastructure especially at important places of tourist interest where there were little or no facilities. The plan was divided into three parts. Part I schemes dealt with the development of accommodation at places of international tourist interest, where foreign tourists could be attracted. The expenditure on such projects was incurred entirely by the Central Government. Part II schemes included development of tourist facilities at places of interest to domestic tourists, which could also interest overseas visitors. On such projects the Central Government would shoulder half of the expenditure and the States would meet the balance. Part III schemes included projects which were primarily of local interest and were financial in nature. A number of tourist bungalows were constructed all over the country under the Part I scheme, now named ‘Travellers Lodges’ and managed by Indian Tourism Development Corporation.

During the Third Plan (1962-67) also, this practice was continued. It resulted in the growth of a network of tourist facilities in areas where facilities were negligible. Both Gaya, Khajuraho, Bhubaneswar, Konark, Mahabelipuram,
Sanchi, Tiruchirapalli, Kanchipuram, Madurai and several other places were provided basic facilities acceptable to foreign tourists.

The highlights of the Fourth (1967-74) and Fifth Five Year Plans were the beginning of two major projects in the Central Sector to attract destination tourist traffic i.e., those who come primarily to stay in India. Another change noticed in the patterns of traffic was the predominance of teenagers among international tourists visiting India. Sixteen youth hostels of international standard were constructed and furnished in different parts of India to serve as catalytic models to the states for constructing similar hotels elsewhere. Several forest lodges, tourist bangalows and major resorts - like the Kovalam beach resort and the Gulmarg Winter Spots Resort - were nothing but an outcome of the programme of tourism development landed during the fourth and fifth plans.

The preamble to the Fifth Five Year Plan for tourism explained the role of the Central and State Governments. The centre would undertake projects which relate to the promotion of international tourism and the States were advised to confine their projects to serve the needs of domestic tourists or tourists from overseas.

The Sixth Five Year Plan envisaged very high targets of tourism development. The concept of Janata hotels developed by the Janata Government during the brief period (1977-79) was given up later in the new plan.
In the Seventh Plan (1985-90) tourism received considerable attention. It provided Rs. 326.16 crores for tourism development.

The Government has been offering fiscal and financial incentives to the private sector for hotel and restaurant development. It has also set up numerous agencies to function in co-operation with the government especially in fostering the growth of tourism. The package of incentives and concessions being offered by the government includes a tax rebate up to 25 per cent of profits for a period of eight years with respect to approval hotels which commenced operations between the 31st March 1981 and 1st April 1990. There are separate provisions with regard to the opening of new hotels in backward areas. A Tourism Finance Corporation was started to provide loans for tourism promotion purposes at attractive rates of interest. Further, hotels have also been exempted from the Monopoly Restrictions Trade Practice (MRTP) Act. Apart from concessional imports for new hotels, items to be imported for the modernisation of the existing hotels will be covered by concession packages. The government announced a new package of incentives in April 1990 to promote tourism. It included, among other things, exemption from expenditure tax for 10 years and 50 per cent concession in income tax for all newly approved hotels set up before December 1993 in hilly and rural areas as well as identified pilgrimage centres.
The efforts of the Government to develop tourism have been spectacular. These efforts have paid handsome dividends to the government by contributing to the growth of tourist arrivals.

1.6 STATEMENT OF THE PROBLEM

Tourism is not only an economic activity of importance in as much as it earns a country foreign exchange and provides employment, it can also correct adverse trade balance and regional imbalances, as it is both a labour-intensive and capital-intensive activity. It is an important medium of socio-cultural development, capable of promoting lasting goodwill and friendship among the nations of the world. It also helps in the regional development of the country and acts as a means of social education and better understanding among the people of different regions in the country. In the long run, the most important contribution of tourism is in the area of developing understanding among varied cultures and life styles.

Thus, it is clear that tourism is a fast growing industry which has vast and inexhaustible potentials to enhance national income, foreign exchange reserves and opportunities of employment to the growing millions of the country as well. Further, its impact on the environment of an economy is also fairly enormous. This present study is an attempt to evaluate the commercial aspects of tourism in terms of accommodation and transportation in Tirunelveli district.
1.7 OBJECTIVES

The main objectives of the study are

1) To undertake a comprehensive study of the major tourist attractions in Tirunelveli district.

2) To study the trend of growth of tourist traffic in Tamil Nadu in general and Tirunelveli in particular.

3) To study the demand and supply of hotel accommodation for tourists in Tirunelveli district.

4) To analyse the expenditure portfolio and its determinants of sample tourists.

5) To analyse the views of tourist transport operators, drivers and tourists regarding transportation.

6) To offer suggestions for the development of tourism in Tirunelveli district.

1.8 LIMITATIONS

Though the investigator seeks to analyse every minute detail of the tourism industry with the utmost care possible, one is afraid that one cannot but be mindful about the following limitations:
1. Paucity of secondary data
2. Exaggerated accounts of the informants.
3. Fallacies of sampling.

1.9 SCHEME OF WORK

The present study on “Commercial Aspects of Tourism of Tirunelveli District with Special Reference to Accommodation and Transportation” has been divided into seven chapters.

Chapter I introduces the subject and discusses the definitions and kinds of tourism, sustainable development in tourism, economic significance of tourism, India Tourism Development Corporation, statement of the problem, objectives of the study, limitations and scheme of work.

Chapter II reviews the literature of past studies and deals with important definitions and concepts. Further, it describes the methodology adopted for the present study.

Chapter III discusses the profile of the study area and tourist spots in Tirunelveli.

Chapter IV analyses the trends in tourist traffic and hotel accommodation in Tirunelveli district.
Chapter V discusses the profile of the sample tourists, expenditure portfolio and its determinants.

Chapter VI undertakes the examination of the views of tourist vehicle operators, drivers and tourists regarding transportation.

Chapter VII presents a summary of the findings of the analysis, conclusion arrived at and offers a suitable policy implication.