Chapter -7
THE IMPACT OF AVIATION INDUSTRY ON TOURISM

Travel is an important event of tourism. Aviation and air travel became a boon to international tourism. Saving of time, air travel experience and revealing of status were the main reasons for the tourists to patronise aviation. Tourism is considered as an activity essential to the life of nations because of its direct effects on the social, cultural, education and economic sector of national societies and their international relations. Its development is linked to the social and economic development of nations. Tourism is a source of foreign exchange, a catalyst of development, security against the uncertain fluctuations of commodity prices. Today, tourism is recognized as a major economic activity. In addition to economic significance, it has socio-cultural, educational and political significance as well. It is significant to phrase the impact of aviation on tourism.

The tourism sector is the combination of both public and private sector. Tourism is not a single unit. It is the composition of many elements to offer people a complete tourist experience. The components of tourism are transport and accommodation. Normally the tourism sector comprises of both the government public sector and the business community, a private sector. They
combine to satisfy the tourists. The services of public sector includes: policy making, statistical analysis, planning and development, licensing and regulation, marketing and training and human resource development.

India has an ancient tradition for tourism. Tourism was prevailing from the ancient period as an informal sector. From the earliest historical period, travel was fascination for man. Tourism has evolved from time when travel was uncomfortable and inconvenient for both those who were forced to travel and the few who could travel due to curiosity or pleasure. The ancient travellers were the merchants, pilgrims, scholars in search of ancient texts, and curious wayfarers looking forward to new and exciting experiences.

Travelling was not an easy affair in olden days, since there was no proper transport facilities and communication. Those days travelling was on horse back, bullock chart, elephants, river craft, and mostly on foot. So the number of travellers out of total population was very less. The Maharajas or the ruling class were less free to tour than others because their motives could be politically suspicious. The purpose of Maharajas travel was to attend coronation durbars of neighbouring states, or to attend important marriages of those belonging to the aristocratic class.
In ancient times the strongest force for trade and commerce made people travel to distant lands and seek fortune. Merchants travelled far and wide, the business class travelled along with long caravans of animals and ponies carrying their merchandise from place to place for sale. Records of their travel, sales, income and modus operandi are available in bahis, the record of accounts maintained by those merchants. These bahis are available in large numbers in Rajasthan, UP and Bengal.¹ The early travel in India was due to trade and religion.

Scholars and spiritual seekers who travelled from place to place in search of knowledge, to take part in discussions and discourses on religious subjects, for visiting Tirthsthanas and Tirthyatha which involved visiting the holy places for performing religious duties to remove their sins and asking for future benefits. Religion was a great unifying force. Travel for religious purpose exposed people to new customs, manners, different foods, and mode of dress. It encouraged exchange of ideas and to develop trade. The term holiday was derived from 'holy days' which was associated with religious observances.² The common people rarely went outside their villages. They move out of their place when they had any work in the capital cities, or for performing religious rituals.
Those days tourism industry existed as informal sector, but all facilities for the tourist were available throughout the country, in the form of dharmashalas, sarais and havelis of the rich in all the famous tirsththanas. The glimpses of ancient Indian tourism are available from Kautilya's Arthashastra on the subject of passport, the government department looking after the foreigners, and the types of accommodation provided to the travellers on the mid-way.

India attracted tourist from far and wide. They left behind a legacy of scholarship and learning, which is a treasure for the social historians. India, the birth place of Buddhism brought many pilgrims from china. Chinese appeared to be the earliest travellers to India. Many Chinese have visited India between 400 and 700 A.D. The Chinese pilgrim Fa-Hien visited India during 359 - 424 A.D. During the reign of Harsha Vardhana another Chinese pilgrim Huien Tsang visited India between 624 - 645 A.D. and left an interesting accounts of the conditions of that time.

**Reflection of India in the travelers records**

Travellers from all over the ancient world travelled to India. The first medieval travellers to reach India was probably a Jewish Scholar. Benjamin of Tudela in the year 1160 A.D. He has given lot of information about the
geography of India. The next traveler was Ibn Batutach who crossed Sindhu in 1333 A.D.\textsuperscript{5} During his travel has written a detailed diary of his travel experience, and in this he has mentioned about India. Marco Polo who travelled to many nations visited India, and left many interesting informations.\textsuperscript{16} About 700 years ago Alexander the Great, during his invasion when reached India found well maintained roads covered with shady trees, and people travelling in chariots, planquin, bullock carts, horse back, camels, and elephants along the 1,920 kilometers long and 19 meters wide road.

In the famous Portuguese Chronicle - the commentaries of the Great Alfonso D' Albuquerque it is mentioned that Francisco Friar, John of Monte Corrino visited India on their way back from china during the last decades of sixteenth and seventeenth centuries. In the sixteenth and seventeenth centuries many European monks, travellers and adventurers visited India in search of knowledge. The trend of travelling continued, and many Europeans reached the Indian shores. The sole purpose of their visit was trade and commerce. The adventurous spirit of the travellers who went on sea voyages helped to explore many new places and made the unknown to be known. Trade and commerce remained a strong force for many travellers to undertake long journeys to distant lands.
India enjoyed the reputation of being a country of fabulous wealth. There are records to furnish information that long before the Christian era, travellers visited India in search of fortune. Foreign travellers and traders have had great fascination towards India. Mark Twain the famous American novelist described India as a fabulous world of "Splendour and rags, the one country under the sun with an imperishable interest, the one land that all men desire to see". India had attracted many traders. The great travellers like Vasco-da-Gama, many foreigners including Arabs and Europeans came to India to establish their trading centers.

The eighteenth century marked a new era in the history of travelling. The factors that contributed to this change are social and economical. Social changes were due to urbanization and the Economic changes were due to industrial revolution, technological advances in transportation and communication. The First and Second World War made people to come closer and motivated them to migrate from one nation to other nations of the world. The importance of tourism had been recognized even before Second World War but the world war stood in its promotion.

The concept of Modern Tourism came into being in the second half of the nineteenth century and early twentieth century. Industrialization was
responsible for the growth of modern tourism. Previously, only the rich class underwent travel. Industrialization brought economic and social changes giving rise to many cities and towns. It removed the burden of long working hours of the working class, brought material wealth and improvement in transport and communication, and motivated people to travel.

The concept of Mass Tourism began with the introduction of paid holidays according to Pay Act (1938). In the last quarter of the nineteenth century the workers were given holidays with pay which promoted the development of modern mass tourism. The improvement in road transport, speed rail transport and the advent of Jet (1960) marked new epoch in the development of modern tourism. Now travel is not a hardship and people can reach any where any time.

The word "Tourism" was soundly pronounced in India only in the year 1946, when a committee under the chairmanship of Sir John Sergent, Secretary, Department of Education was appointed to advise the Government on the development of tourism. This committee recommended a separate organization to promote tourism. It suggested to improve air and train facilities, establish first class hotels of international standard to comfort the foreign tourist, and recommended to establish publicity bureaus in London, New York
and in the capitals of other countries, to increase the number of tourist arrivals to India.

India, on the eve of independence had large infrastructure for tourism. It had adequate transport and communication systems, and also most of the airports in the country were ready to receive the international tourists. Inspite of these facilities, importance of tourism was realized only after the recommendation of the Sergent Committee, in India. According to its recommendations, a small tourism branch started functioning under the ministry of shipping and transport in 1949. Then four other tourist field offices were set up in Delhi, Calcutta, Bombay and Madras.

The development of tourism began in an interesting way, in India. The development coincided with the Second Five Year Plan (First Five Year Plan had no mention of tourism). In March, 1958 a separate Tourism Department was created under the Ministry of Transport to deal with all matters concerning tourism. The presidential order dated 14 March, 1967 the Department of Aviation and Tourism which was under the Ministry of Transport and Civil Aviation was formed into a separate ministry designated as the Ministry of Tourism and Civil Aviation, with two constituent departments. Department of tourism and Department of Civil Aviation.
In 1965, the committee submitted its report. The committee's recommendations were accepted and the Government of India created three separate corporations under the department of tourism. They were hotel Corporation Ltd, India Tourism Corporation Ltd and India Transport Undertaking Ltd. The Organisation of the Ministry is outlined in the chart that follows.
ORGANIZATIONAL FRAME OF INDIAN AVIATION

Fig:8 MINISTRY OF TOURISM AND CIVIL AVIATION, GOVT. OF INDIA, NEW DELHI

- **Minister**
  - **Deputy Minister**
    - **Secretary**
      - **Hotel unit**
        - Controlled by Dy. Secretary
        - 1. Miscellaneous
        - 2. Housekeeping work
        - 3. Parliamentary work & Co-ordination
        - 4. Hindi Work
        - 5. Air Corporations
      - Controlled by two under secretaries who are supervised by the Deputy secretary
      - Controlled by two under secretaries who are supervised by Joint secretary
      - **Civil Aviation**
        - 1. Enquires
        - 2. Railway Accidents
        - 3. Central Registry
        - 4. Administration
        - 5. Matters Relating to Indian Metrological Department
        - 6. Budget
      - Controlled by two under secretaries who are supervised by Joint secretary
      - **Civil Aviation**
        - 1. Organisation & Methods
        - 2. Security & Vigilance
        - 3. Air Agreement conventions
        - 4. Training Flying clubs & Gliding clubs
      - Controlled by two under secretaries who are supervised by Joint secretary
      - **Civil Aviation**
        - 1. Co-ordination of budget, foreign exchange
        - 2. Gazatted establishment
      - Controlled by Dy. Secretary (Internal Finance)
Organisation

The administrative organization of the Ministry of Tourism and Civil Aviation consisted of a secretariat, two attached offices and two subordinate offices. Additionally there were five big public undertakings under its administrative control. The Ministry was generally headed by a cabinet minister who was assisted by a Deputy Minister. A variety of officers such as secretary, joint secretary, deputy secretary, under secretary, junior analysts and section officers managed and controlled the organization of the secretariat.7

The Functions of the Ministry of Tourism and Civil Aviation

The main functions were to promote the aerodromes, aircraft, air navigation, air traffic, facilitate the beacons and other provisions for the safety of aircraft, Carriage of goods and passengers by air, monitor the public undertakings established under the Air Corporations Act of 1953, regulate the meteorological organization, promote Railway Inspectorate, monitor the development of tourism in India and abroad, instruction of youth hostels and hotels in the public sector, implement treaties and agreements relating to any of the matters specified in this list, prevent offences against laws with respect to any of the matters specified in this list and to institute enquiries and collect statistics for the purpose of any of the matters specified in this list.8 The ministry had to perform the vital
and development functions. To handle policy matters pertaining to the well-defined responsibilities of the ministry, the ministry had to operate through attached offices called the Department of Tourism and Directorate General of Civil Aviation.

Later, the government merged all the three corporations into one composite undertaking for the purpose of securing co-ordination in policy, efficient and economic working of the three corporations. As a result of this, Indian Tourism Development Corporation came into being with effect from March 28th 1970.⁹

Tourism acquired the status of industry and the influx of tourist increased.¹⁰ ITDC (Indian Tourism Development Corporation) as a public sector undertaking has been playing crucial and strategic role in ensuring proper dispersal of socio-economic standing benefits of tourism, promoting national integration and international understanding, removing regional imbalances, generating employment opportunities, augmenting foreign exchange earnings and also acting as a catalyst in the development of tourism in the country.

Indian Tourism Development Corporation (ITDC) was responsible for the development and expansion of India's tourist infrastructure. It is involved in providing Accommodation, establishment and management
of transport units, travel and transport counters, entertainment by way of organizing cultural shows, dances, drama, sound and light shows, and providing facilities to tourists through the establishment of duty-free shops, emporia, etc., for articles of tourist interest.

Tourist arrivals to India during the decade 1961-70

The number of International tourist arrivals increased at an annual rate of about 13% during the decade 1961-70, India has somehow failed to benefit from the boom of earnings from tourism as a national industry of great promise.

India Tourism Development Corporation came into existence in Oct 1966 and has been the prime mover in the progressive development, promotion and expansion of Tourism in the Country. Broadly, the main objectives of the corporation are:

- To construct, take over, and manage the existing hotels and market hotels, beach resorts and traveller's lodges;
- To provide transport, entertainment, shopping and conventional services;
- To produce and distribute tourist publicity material;
- To render consultancy – cum – managerial services in India and abroad;
To carry on the business as full – fledged money changers (FFMC), restricted money changers and

To provide innovating, dependable and value for money solutions to the needs of tourism development and engineering industry including providing consultancy and project implementation.\textsuperscript{11}

The paid up equity capital of the corporation is held in the name of the president of India. The corporation is running hotels and restaurants at various places for tourists, besides providing transport facilities. In addition the corporation is engaged in production, distribution and sale of tourist publicity literature and providing entertainment and duty free shopping facilities to the tourists.\textsuperscript{12}

The Department of Tourism (DOT) was responsible for the promotion of India as a tourist destination and for the development of tourism infrastructure facilities in the country. In October 1986 the ministry was placed under the charge of cabinet minister.\textsuperscript{13} The Department of Tourism then became an attached non-participating office of the Ministry of Tourism and Civil Aviation headed by the Director General of Tourism. The Director General of Tourism carried an ex-officio status of an Additional Secretary to the Government of India. Although an attached office, the department is both a policy-making and
an executive organization and corresponds directly with the other ministries and departments of the Central Government and the State Governments.

The Director General was assisted by one Additional Director, one Joint Director General, a Deputy Secretary and five Deputy Director Generals. The functions of the Department of Tourism were both promotional and organizational which are conducted by the following seven divisions (i) Planning and Programming (ii) Publicity and Conference (iii) Travel, Trade and Hospitality (iv) Accommodation (v) Supplementary Accommodation and Wild Life (vi) Market Research (vii) Administration explains the organization of the Department of Tourism.

The integrated development of tourism at the national and international levels was achieved through the activities of department of Tourism, Indian Institute of Tourism and Travel Management, National Council for Hotel Management and Catering Technologies, the Institute of Hotel Management and Food Craft Institute, and India Tourism Development Corporation Ltd.
Fig: 9 ORGANISATIONAL CHART OF THE DEPARTMENT OF TOURISM

- Minister
  - Deputy Minister
    - Secretary
      - Director General
        - Additional Director General
          - Joint Director General
          - Dy. Director General
          - Dy. Director General
          - Dy. Director General
          - Dy. Director General
          - Director Tourist Administration
          - Director Market Research

- Hotels
- Publicity Promotion Training Programmes, Conference
- Travel Trade Hospitality Programmes
- Planning Programming
- Supplementary Accommodation, Wildlife
- Administration Finance, Coordination
- Travel Statistics
Department of Tourism (DOT) is carrying out extensive publicity and promotion campaigns through its tourist offices located in the major tourist generating markets of the world such as USA, Canada, UK, Europe, Australia, South East Asia, Japan and West Asia.

**Ministry of Civil Aviation and Tourism:**

Air transportation in India is under the purview of the Department of Civil Aviation, a part of the India's Ministry of Civil Aviation and Tourism. In 1995 the Indian Government owned two airlines and one helicopter service and private companies owned six airlines.\(^{14}\)

**The role of Airlines in promoting Tourism:**

The Aviation administration played a major role in the promotion of tourism and tourist industries because the majority of the tourists everywhere traveled by air on the international as well as domestic sector. In order to attract a constant flow of tourists to this country, the Air India and the private carriers had introduced special discount fares. The new youth fares also helped to release the untapped potential that existed in this sector. Studies in the field demonstrate that youth travel was increasing quite rapidly in the world. To cater to the needs of all age groups the airlines have introduced Special Group
Fare schemes. These schemes or devices have enabled the Airlines to increase their net revenues and also to help in the promotion of tourism and tourist trades in all parts of the country. Next to oil, tourism is the largest industry of the world. It involves a massive movement of millions and millions of people from one end of the globe to the other. The civil aviation system plays the most significant role in making this movement possible, profitable and prompt. The post-war years have witnessed a phenomenal growth of international tourists and tourism in India.

The liberalization of foreign exchange rules and other travel restrictions, which characterized the pre-war years, had contributed its bit in encouraging larger number of people to travel. The Indian Airlines Corporation has made a profit of Rs.1.01 crores during the year 1974-75, while the earlier trends had indicated a loss of Rs.16.5 crores. The total business transacted amounted to Rs.98 crores. The airlines earned Rs.16.66 crores in foreign exchange against Rs.14 crores expected at the outset. This represents 51 percent increase over the previous year's earning and is nearly 20 percent of the total patterned revenue.

The profit in the current year could amount to Rs.2 crores if current trends were sustained. Despite the seasonal fall in traffic during the monsoon,
the airline was carrying 8000 passengers a day, compared to 7000 a day at the same time in the year 1974. In the year 1976-77 the Indian Airlines planes had 278-seat configuration and capacity for carrying ten tonnes of airfreight. The Airbus was operated to Gwahati by mid-1977 and to Srinagar in 1978 by when the runways at Bhavnagar, Cochin and Agartala were improved to receive Boeing 737 aircraft. Udaipur airport was ready in 1976 to receive the Boeing operation. The airstrips at Indore, Coimbatore and Madurai were also modified.

A positive correlation between tourist arrivals and aviation administration can be established on the basis of the figures, which indicated the glowing popularity of air transport among tourists. The popularity of air transport for tourists was demonstrated by the fact that out of the bulk of 2,44,724 foreign tourists 2,04,039 came by air in the year 1969. The air traffic had almost tripled in number, the exact figures being 75,344 in 1960 and 2,04,039 in 1969. The graph on the basis of data available in the reports of the Department of Tourism, Government of India, New Delhi, 1960-70, presented the comparative figures of foreign tourists employing land, sea and air routes to come to India during the years 1960 to 1969.
The decade under review had witnessed the decline of voyage in preference to air travel. The number of tourists taking to boats and ships had almost sunk down to half, while the number of those who opted for flying had tripled in ten years. The number of tourists coming via land routes had also been a steady decline so much so that in the year 1966 out of 1,58,603 tourist arrivals to India only 1,526 alone liked to use the land transport. This figure had again started catching up and as compared to 7,352 figures of 1960 it stood at 16,644 in 1969. The number of air travelers had increased by leaps and bounds. Even the annual increase has been remarkable. In 1968 when 1,56,073 tourist flew in India, in 1969 this number touched an all time record of 2,04,039. Obviously this popularity of air travel among foreign tourists not only explains the usage for fast travel, but also speaks volumes about the efficiency of the civil aviation administration of the world countries in general and Air India and Indian Airlines corporation in particular.

**Foreign Tourist Arrivals in India**

Based on the information contained in the Dis-embarkation cards, information regarding the number of Foreign Tourist Arrivals (FTAS) and related aspects have been compiled and presented. The FTAS in India during 2007 were 5.08 million as compared to 4.45 million in 2006 and 3.92 million
in 2005. During the year 2007, India witnessed a growth of 14.3% over 2006 in FTAS. The average annual growth in FTAS in India registered during the last five years, i.e., 2003 to 2007 had been more than 16%. The table shown here gives the number of FTAS in India in the year 1981 to 2007 and the percentage change over previous year as reference in the Annexure No.VI.

The records of foreign tourist arrival in India through the Major Airports give a clear description, that Delhi was the leading port by which the Foreign Tourist Arrivals have taken place. And second place goes to the Mumbai Airport. The datas reveals the fact that Delhi airport remained number one airport in terms of arrivals (with more than 30% arrivals) followed by Mumbai airport (with more than 23% arrivals). This is figured in the Annexure No.VII.

**Mode of Travel**

Air travel which was considered to be luxury, now has become the necessity. The considerable increase in international tourism was mainly due to air transport, which has facilitated long distance travel crossing the continents. It has become the major mode of transport. Every year the figure of Foreign Tourist Arrival by air transport is increasing due to ease and time consumption. Tourists prefer air mode, when compared to ocean and surface travel. The
majority of FTA's in India (88.4%) arrived by air, followed by land (11%) and
sea (0.6%). The details are followed in the Annexure No.VIII.

Foreign Tourist Arrivals in India From Different Countries according to
mode of Travel

The immigration records from the Bureau of immigration of India, and
the tourist arrival datas of the government of India, Ministry of Tourism,
Market Research Division shows that India had received the foreign tourist
from North America, Central and South America, Western Europe, Eastern
Europe, Africa, West Asia, South Asia, South East Asia, East Asia, Australia.
The details are shown in Exhibit-1.
Exhibit-1

Foreign Tourist Arrivals in India From Different Countries according to mode of Travel

Source: Bureau of Immigration, India

Source: Government of India, Ministry of Tourism, Market Research Division.
Table 4: Foreign Exchange Earnings from Tourism in India During 1991 – 2003

<table>
<thead>
<tr>
<th>Year</th>
<th>FEE in INR terms</th>
<th>FEE in US$ terms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs. Crores</td>
<td>%</td>
</tr>
<tr>
<td>1991</td>
<td>4318</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>5951</td>
<td>37.8</td>
</tr>
<tr>
<td>1993</td>
<td>6611</td>
<td>11.1</td>
</tr>
<tr>
<td>1994</td>
<td>7129</td>
<td>7.8</td>
</tr>
<tr>
<td>1995</td>
<td>8430</td>
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<td>10046</td>
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<td>15.6</td>
</tr>
<tr>
<td>1999</td>
<td>12951</td>
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</tr>
<tr>
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</tr>
<tr>
<td>2001</td>
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</tr>
<tr>
<td>2003</td>
<td>20729</td>
<td>37.6</td>
</tr>
</tbody>
</table>

Source: India Tourism Statistics, Ministry of Tourism, 2007

The above Table reflects the foreign exchange earnings (FEE) from tourism in India in 2003 was Rs.20729 crore. In US$ terms it was 4463 US$. The FEE tourism grew by 14.2% to 43.8% in 2003.
The India Tourism Development Corporation has made efforts to raise the quality of publicity material about India to International standards of excellence. Reputed designers, writers, film makers and other specialists have been enlisted for the task. Materials like brochures, posters, films, photographic presentations, websites and other sales aids were used.

Simultaneously, tourist products were also being developed by the ITDC for market sale in the Country. These include picture postcards, maps and guide books in international formats. A new scheme of close collaboration with the Airlines in matters of tourism intensify promotional efforts by the department of Tourism overseas. A scheme called "Operation Europe" was introduced by the Department of Tourism. Under the scheme, a chain of new tourist offices were added at Geneva, Stockholm, Brussels, Milan and Vienna to the existing offices at Frankfurt and Paris. The operation scheme was later extended to the United Kingdom and to the United States of America. A number of Tourist Promotion offices has been located at Washington, Boston, Dallas, Detroit, Miami and Seattle under the scheme called operation U.S.A, operations Europe and USA and they have proved successful and revenue yielding. And it was extended to East Asia, West Asia, Australia, Tokyo, Singapore, Sydney and other parts of the world. The planned efforts made in
the field of tourism development have started bearing their fruits. It is true that India has maintained a steady improvement, yet there seems to be a vast market waiting which needs to be tapped with ingenuity and imagination.

Thus tourism is a growing industry of promise and potential. It vitally concerns and effects the planned economic development going on in a developing country like India. The aviation administration has a key role in furthering and promoting tourism in the sub-continent because it provides the initial starting point for the foreign tourist who is an acknowledged patron of various kinds of big and small industries on the alien soil. The Indian Airlines, Air India and other private airlines have expanded their passenger capacities and have also equipped themselves with several other ancillary facilities and tour plans which can be called conducive for tourist attraction and tourism development in India. But tourism itself as an industry cannot survive, and still less thrive without a support structure, which civil administration alone can provide. The performance of air aviation in India during the last two decades has been seriously handicapped by the absence of infrastructure so very essential to attract tourists from far flung corners of the globe. The aviation administration has to realise the fact that while transporting foreign passengers they are not only carrying passengers, but are taking people on board who are
more than passengers. In this venture, the aviation administrators have a legitimate right to seek the cooperation and support from other departments of governments and private agencies working in the field. Relatively speaking, it is the aviation administration of India which meets the foreign tourist as its source point and that too in his own land. Several administrative agencies in this field can undertake coordination work and come to assistance and support of aviation Industry.

The growing figures of tourist traffic and foreign exchange earnings of India explain the development of aviation and tourism in the country. But the evolution of the two needs to be linked up in an organic whole and a policy conducive to national interest has to be evolved and launched for the implementation of integrated plans of tourist development and aviation growth in India.

**Impact of Tourism**

Tourism is a highly complex phenomenon. The complex nature of tourism implies that various academic disciplines are involved in its study. Some basic disciplines such as economics, psychology, sociology and geography contribute a great deal. Certain newer disciplines of management and marketing play a significant role. In addition, techniques such as planning,
statistics and market research are also involved and are used extensively by tourism enterprises. To explain the complex tourism phenomenon in its various manifestations, it is essential to have a systematic framework.

**Economic Benefits**

Aviation is a powerful tool for tourism which is the most important Source of income, especially of foreign exchange for many countries. Tourism is sensitive to the level of economic activity in the tourist generating countries and provide more stable earnings than primary products. The receipts from international tourism provides valuable source of earnings for many countries both developed and developing countries. The income from tourism has tended to increase at a higher rate than merchandise export in number of countries. The amount contributed in foreign currency per tourist varies greatly from one place to another, the importance of receipts from tourism in the balance of payments, and of tourist activities in the national revenue, has become considerable.\(^{18}\)

Income from foreign tourism in the form of foreign exchange earnings adds to the national income. The invisible earnings from tourism are of major significance and have a very strong positive effects on the balance of payments.
Fig: 10  THE STUDY OF TOURISM AS INTER DISCIPLINARY
The Multiplier Effect

The flow of money generated by the expenditure of tourist multiplies as it passes through various sections of economy. Tourism in addition to an important source of income provides as number of other economic benefits, which vary in importance depending upon the nature and scale of tourism. The benefits from infrastructure investments, primarily for tourism like airports, roads, water supply and other public utilities are widely shared by other sectors of the economy. Tourist facilities such as hotels, restaurants, museums, clubs, sports, complexes, public transport, national parks are used by domestic tourists and visitors, business and residents though a significant portion of the cost is borne by the international tourists. Tourists also contribute to tax indirectly through property, profits and income taxes. Tourism provides employment, brings infrastructural improvements and help regional development. Thus aviation generates the income of the nations in many ways.

The multiplier mechanism has been applied to tourism and in particular to tourist expenditure. Tourist expenditure not only supports the tourist industry directly but helps indirectly to support many other industries which supply goods and services to the tourist industry. The money paid by the tourist, after a long series of transfers over a given period of time passes through all sectors of the national economy.
Development of Infrastructure

Air transport indirectly promotes other economic activities. Development and improvement of infrastructure is another important benefit. The benefits from infrastructure investments, primarily for tourism like airports, roads, water supply and other public utilities are widely shared by the other sectors of the economy. In addition to development of new infrastructure, the improvements in the existing infrastructure are undertaken to attract tourists. These improvements also confer benefits to the resident population by providing them with amenities. The provision of infrastructure provide the basis or serve as a encouragement for greater economic diversification and a variety of secondary industries are promoted.

Regional Development

Tourism is important not only as a source of foreign exchange, but also as a factor in the location of industry and in the development of less developed regions. In some cases the development of tourism may be the only means of promoting the economic advancement of less developed areas lacking in other resources.

The underdeveloped regions of the country can greatly benefit from tourism development. Many of the economically backward regions contain
areas of high scenic beauty and cultural attractions. These areas if developed for use by tourists can bring a lot of prosperity to the local people. Tourism development in these regions may become a significant factor in redressing regional imbalances in employment and income tourist expenditure at a particular tourist area greatly helps the development of the areas around it. Many countries both developed as well as developing have realized this aspect of tourism development and are creating and developing tourist facilities in underdeveloped regions with a view of bringing prosperity there.

In many areas of tourist interest industrial development is not possible because of distance from markets, lack of raw materials and transportation facilities, scarcity of power and water. These areas if developed for tourism provide lot of prosperity in the region and can provide jobs for large number of unskilled workers. It generates work for the construction industry and wide range of other supporting industries. These areas once developed for tourism become great assets to the region in particular and to the country as a whole. Tourism is regarded not as an area of peripheral investments but as one of the primary investment whose benefits help in creating employment opportunities and in the regeneration of backward regions.
Employment Generator

Direct economic effect of tourism relates to employment. The problems of unemployment and underemployment are more acute in the developing countries. Tourism industry has high social impact for it has repercussions in every other national economic sector through the multiplier effect, which is particularly marked in those services that are complementary to the tourist accommodation industry.

The tourist industry is highly labour intensive service industry and hence is a valuable source of employment. It employs large number of people and provides a wide range of jobs which extend from the unskilled to the highly specialized. In addition to those involve in management there are a large number of specialist personnel required to work as accountants, housekeepers, waiters, cooks and entertainers, who in turn need large number of semi-skilled workers such as porters, chamber maids, kitchen staff and gardeners. Tourism is also responsible for creating employment outside the industry. Indirect employment involves the furnishing and equipment industries, souvenir industries, farming and food supply. In narrowly defined sense those who supply goods and services to those directly involved in tourism equally are beneficiaries from tourism.
Economic Value of Cultural Resources

The first appearance of tourism in the world had cultural motivation. Tourism has always stood as a unique vehicle for the cultural propagation that is necessary for deeper understanding of people. Tourism, with its basic element of movement, stands for the possibility of communication between different civilizations and it has served thus, since its first emergence. Tourism has always been an essential medium for broadening the limits of human knowledge. From the very early times, mainspring of urge to travel has been based on the cultural interest. Even today large mass of people travel to foreign countries to become acquainted with the usage and customs. They visit the museums to admire works of art. According to Medlik "When the tourist comes in contact with the place he visits and its population a social exchange takes place. His social background affects the social structure and mode of life of his destination; he is in turn affected by it and sometimes carries back home with him new habits and way of life".

Tourism remains basically a cultural phenomenon. One way of hastening the beneficial effects resulting from tourism is to bring the cultural heritage into the economic circuit, thus justifying the investments made at the cost of the national community for its preservation. Mass tourism can contribute unique benefits to the exploiting of the cultural heritage of a nation and can
Cultural resources have another specific characteristic which can act as a positive element in the developing countries. Those developing countries that possess an ancient civilization or an original culture can benefit greatly from tourism as many people would like to experience the exotic. There will be a great urge on the part of the tourist to visit and become acquainted with the ancient civilization. The developing countries possess original characteristics capable of attracting flows of tourists from industrialized countries who are in quest of novel human knowledge.

The main justification for cultural tourism is in fact not solely the cultural heritage but also means the prospect of contact with other civilizations, their original and varied customs and traditions with their distinct characteristics. The entire process creates a powerful lever on motivation towards travel. A factor favourable to the developing countries is the unequalled and characteristic novelty of the different civilization, ancient or recent, add further and decisive motivation for undertaking the journey.
A two-way exchange is achieved between the industrialized and developing countries. This two-way exchange is expressed by Boyer as we can say that the tourist process provides or should provide for exchanges between economic values from the countries which send out tourists and cultural values from the countries that receive tourists. Boyer clearly refers to the industrialized countries as generators of tourists, and the developing countries as receivers of tourists. The characteristic benefit resulting from cultural tourism for the national economics and the balance of payments of the developing countries are quite significant.

The efforts for tourism development were started only from the Second Five Year Plan. In the first Five Year Plan there was no mention about the tourism industry. The integrated development programmes were introduced in the second, third, fourth, fifth, sixth, seventh and eighth Five Year Plans respectively.

Tourism was brought under the transport sector from the Second Five Year Plan between 1956–61. Provisions have been made to aid the tourist associations and tourist bureaus run by States and local authorities, and for publicity in the regional languages particularly for the development of tourism within the country. Central schemes have concentrated on the foreign tourists,
the State has promoted domestic tourism. The third plan mentioned the provisions of infrastructural facilities have been improved.

The economic benefits of tourism was given importance highlighted. Provision for accommodation, transport and recreational facilities.

The integrated development of tourist resorts at Kovalam, Goa, ulmarg and Kullu-manali, construction of youth hostels, hotels, tourist bungalows, forest lodges, promotion of wild life tourism, and cultural tourism are noteworthy. These effects flourished with Industrial Finance Corporation of India (IFCI) allotting loans for the schemes.

Substantial tourist accommodation in the public as well as in the private sector were increased.

Realizing the potential of tourism in the country the government agreed to accord an industrial status to tourism. Promotion of private sector investments in developing tourism and leaving development of support infrastructure to the public sector investment was a special feature. The development of tourism supported the local handicrafts, other creative arts and also promoted national integration.
The State sector contributed more for the promotion of the industry by providing physical and monetary incentives. The public sectors joined hands with the private sector to promote the industry by protecting the tourists, and the environment.

The government focused on the development of basic infrastructure such as transport facilities and civic amenities which play a facilitating role in the provision of accommodation and other facilities for all classes of tourists, both domestic and international. In developing tourism, it will be ensured that the sites are conserved and the environment is not degraded. Some of the important types of tourism are indigenous and natural health tourism, rural and village tourism, pilgrim tourism, adventure tourism and heritage tourism.

Further government has taken measures to make tourism as a national priority. Enhancing India’s competitiveness as a tourist destination, improving and expanding product development, creation of world class infrastructure and effective marketing plans and programmes. It should not be forgotten that these are the repercussions of effective operation of aviation through the National Development Council. To develop tourism the central government has taken few more decisions. To create world–class circuits and destinations, eschew haphazard development, to augment training facilities in hotel management,
food craft and build the capacity of service providers at the cutting edge, to remove the barriers to growth to leverage private sector investment, to provide legislative and regulatory support to protect the tourism industry, the consumer and the environment and to mobilize public support by creating awareness of the socio economic benefits of tourism for the host community.

Air transport brought threw light on the importance of tourism industry as a source of great income for the country. So the government did not leave any stone unturned.
END NOTE, Chapter -7

1. Indian Airlines, Annual Report, New Delhi, 1976-77.
4. Ibid., P.190.
5. Ibid., P.570.
8. Ibid., p.250
10. Ibid., p.39
15. Ibid., p.71
16. Ibid., p.72