CHAPTER II

TOURISM PLANNING AND DEVELOPMENT:
An overview

The holiday tour has become the most conspicuous phenomenon of our time, neither mass migration nor the world wars have succeeded in pelting so many million people on the road as the desire for a holiday does year after year. People voluntarily leave their homes to enjoy their vacation in distant places. For more and more people around the world, the annual holiday tour is an accepted way of life. As a result of this, tourism has grown enormously during the last fifty years. But, unfortunately, this growth has been an unplanned, activity. The result is haphazard and sudden boost in tourism facilities like hotels, air, rail and road transport in places which are becoming famous tourist spots to meet the demand and to satisfy the profit instinct of the promoters. Commercialization has taken precedence over the care or protection of the landscape and environment. A large number of people are going to the same spot at the same time. Holidays are concentrated in certain specific months of the year. The result is crowded beaches, mountains and lakes, increasing traffic and a chaos due to lack of amenities as a result of the sudden increase in tourist demand. It is ironic that some of
the spots offering relaxation in normal times literally choke with traffic during the holiday season. All this necessitates the need for planning.

### 2.1 NEED FOR PLANNING

The need for planning arises whenever some rational thinking is required to arrive at a choice among a set of limited means so that certain ends are satisfied especially when the means are substitutable among themselves. In other words planning essentially attempts to allocate scarce resources between different competing uses with a view to maximizing output, income and employment and to ensure the balanced growth of different sectors. The serious situation caused by the haphazard development has made people and the governments aware of the need for planning of tourism development based on scientific research of the requirements of the travel market and the capacity of the area to take in tourists. In the field of tourism. The need for planned development is of paramount importance, we cannot provide unlimited number of seats in a plane or number of rooms in a hotel beyond its maximum capacity but we can plan to optimize the usage. The United Nations conference on International Travel & Tourism held in Rome as far back in 1963 emphasised the need for planning in tourism and made several recommendations. Some of the
important recommendations that the United Nations Conferences made in the area of need for development plan in tourism were as follows:

i) That the governments of developing countries should give high priority to projects concerning the development of tourism in their respective countries,

ii) That the governments of developing countries should consider the possibility of seeking the assistance of the United Nations Special Fund for Regional and sub regional surveys of existing and potential tourist resources and for the preparation by experts of tourist traffic estimates and forecasts, with a view to the establishment of short term and long term plans for the development of tourist facilities and plans.

The conference endorsed the relevant comments of the Group of Experts who had pointed out that tourism was expanding swiftly as world economy improved and more and more travellers sought new places to visit. It further stated, that, to the extent permitted by its economic resources, a country should see a steady growth in the number of new tourist resort developed. Existing possibilities of attracting tourists – mountaineering, winter sports, fishing, hunting, beaches, spas, national parks, game sanctuaries, national monuments sites and shrines, folk traditions and customs, pilgrimages, festivals and
sporting events should likewise be developed and protected. Stress was 
laid on the importance of ensuring protection, not only for monuments, 
archaeological remains and buildings of historical, cultural or 
arbitrary importance, but also for the customs, traditions, art and 
folklore of indigenous peoples. The conference also agreed that a 
developing country which proposed to set up a national tourist 
organization should consider obtaining a preliminary survey in order to 
assess clearly what positive tourist attractions the country already had, 
what potential tourist attractions existed, and how they could most 
effectively be developed within the limits of the funds available.

The recommendations had far-reaching implications as far as 
planned development of tourism was concerned. All member states and 
the specialized agencies of the United Nations were called upon to 
consider and implement as appropriate the recommendations contained 
in the report of the conference. The recommendations of the 
conference were of particular interest to those countries which were just 
beginning to develop tourism. Until quite recently tourism was 
principally a feature of, and was largely confined to the developed 
countries. Many of the developing countries saw the possibilities in 
tourism development. Encouraged by the conference
recommendations, many developing countries introduced tourism development programmes.

The United Nations Conference on Trade and Development (UNCTAD) in the year 1965 also emphasized on the promise which tourism held out for the developing countries. For some countries, tourism offers a major opportunity since it provides employment for many, it stimulates investment and is an important source of foreign exchange. The third International Union of Official Travel Organisations (IUOTO) in a Travel Research Seminar held in Prague, Czechoslovakia, in 1964, examined in great detail the many problems involved in the development of tourism industry and concluded that planning whether at national, regional or local level, was indispensable. It concluded that all tourist planning should be based on two types of preliminary surveys—
(a) detailed survey of the characteristics of the area being considered for development and in particular, of its tourist resources;
(b) studies of future customers based on surveys and forecasts.

Careful planning is a prerequisite for complete success of any programme. The haphazard development in many countries had made the planners aware of the need for planning of tourism development based on scientific research. Any country, whether it already has an
active flourishing tourism industry or is thinking of developing a tourism industry has to decide on many crucial issues before launching a tourism development programme. The agencies responsible for tourism development have to consider the various issues. The official government agencies especially in the developing countries have to be extra cautious as they cannot afford to waste scarce resources on developmental plans which do not bring benefits. The governments in these countries have to decide on the following issues:

(i) rate of growth of the tourism sector, whether it wishes to encourage mass tourism or develop it more slowly, gradually and selectively;

(ii) the importance of the tourism sector to the national economy and how its development and growth is to fit in with the plans for national, regional and local development;

(iii) the respective roles which it assigns to public and private sector in the development of the industry;

(iv) the respective roles to be played by domestic and foreign capital. Whether the foreign investments are to be encouraged in case the country's financial resources are limited;
(v) decision as to whether the tourist industry should be treated in the same way as other industries or whether the peculiar character of the industry warrants it being given special treatment;

(vi) decision as to whether tourist industry is to be developed on a continuous long-term basis or only as a short-term arrangement to overcome the trade deficit.

The Organisation for Economic Cooperation and Development (OECD) in a seminar held at Estoril, focused its attention on all the above issues. According to its report "much of the discussion turned on the fact that tourism is by its nature somewhat different from other sectors of the economy, since it is an industry based on movement of people rather than goods. For this reason it is particularly susceptible to subjective considerations quite apart from the play of the economic forces. Political and social pressures, psychological attitudes, changes of fashion, may all influence the course of tourism development markedly and unpredictably. It is essential therefore that tourism industry should be as flexible as possible to be able to adapt to changing conditions and requirements." The discussions at the OECD seminar also drew attention to the fact that tourism involves several considerations which are essentially of non-economic nature. The
report of the seminar stated "Tourism often has significant cultural implications (for example, the restoration of ancient monuments); aesthetic (the preservation of beauties of landscape and the safeguarding of the nation’s heritage); social (the provision of recreational facilities for the health and welfare of the people); and political (the improvement of international understanding)."

The fact that tourism is by its nature somewhat different from other sectors of the economy makes it more necessary that there should be careful planning. This is much more important for the developing countries which cannot afford to waste scarce resources. The various issues involved in the planning and development of tourism especially in the developing countries show how necessary it is for these countries to adopt growth plans in this specific branch, duly relating to their political and economic institutional framework. Just as a country will adopt a monetary policy, a policy of agriculture, of public works, of health, of transport, etc; as different elements of its national economic plan, so it should on the same grounds, adopt a specific policy of tourism development.

Planning is thus essential for three main reasons: first, most countries have a planned economy and if tourism has to be a part of it, then this sector also needs planning. Secondly, the success of tourism
development depends very largely upon appropriate facilities being available in the right place and at the right time and these can only be provided by adequate research. Thirdly, the planning is required to ensure that the natural and man made assets are conserved and protected to attract tourist.

2.2 PLANNING PROCESS

The first point in this respect is that the government should take a decision whether they would like to promote tourism in their country in the interest of economic development. Since the economic advantages of tourism are tremendous, most of the governments would decide in favour of promoting tourism. Even countries like China which were behind an iron curtain have started opening up and are promoting tourism. Once a decision is taken in favour of developing tourism, the government has to make provisions for its development within the framework of a plan for the development of its economy. The two economic arguments in favour of developing tourism are (a) the contribution in terms of foreign exchange and (b) multiple employment potential of the tourism industry. Therefore, the planning of tourism, whether at the national or the regional level, must be regarded as an integral and coordinated part of the country’s general economic and social planning. A plan for tourism can survive only if there is
coordination among all the processes. The essential aim of the tourist plan is to arrive at a balanced growth of demand and supply.

Research is a precondition for all planning. It is surprising that in the field of tourism, an insignificant amount of money is spent on research compared to the total turnover of tourism earnings. A country which decides to develop tourism should take a close look at places offering similar attractions elsewhere, study their economics, and call for specialists to prepare a tourism development plan. Among the aspects to be studied are:

1. characteristics of the land available for development and the price structure

2. composition of the facilities to be provided – hotels, non-hotels and other service industries like restaurants, stores and beach services

3. speed of construction to attract public investment.

4. total cost of infrastructure in the area proposed to be developed, which would include all forms of construction on and below the ground, i.e. roads and parking areas, railway lines, airports, water supply, power houses and sewage disposal, hotels, motels, restaurants, entertainment and shopping facilities.
5. possibility of direct and indirect taxes from tourism related activities to justify public investment.

Planning has to be done on two levels, national and local. At the national level, the central government will be involved in developing selected areas on the basis of research and study, based on the factors like marketability as tourist spot, anticipated receipts from tourism sector and projections of future demand. The national plan should also lay down the development required at local and regional levels to boost tourism in that area. The plan must attain optimum objectives in a given period of time. These factors can be grouped into the following subheads:

1. assessment of tourist demand and supply,
2. planning of site,
3. planning of infrastructure,
4. financial planning,
5. manpower planning,
6. administrative planning,
7. planning for tourism marketing and promotion,
8. monitoring and evaluation,
9. planning the time, and
10. environmental planning.
2.2.1 Assessment of Tourist Demand and Supply

Developing an information base on the present status of demand and supply of information on tourist arrival is the foremost activity in planning tourism. An analysis of the present structure of demand and supply in tourism is a prerequisite for initiating tourism planning programme. First of all, we should survey the tourist attractions of various types available in the country. This will include physical, cultural and historical attractions possessed by a country. The country should try to develop the attractions progressively throughout the entire country facilitating tourism to spread evenly. Secondly, the attractions and areas should be so chosen that they are liked by most of the tourists over the longest possible duration in a year. This will help in avoiding over dependence upon a particular season of the year. Thirdly, priority should be given to those attractions which can be most easily and most successfully developed with minimum finance. Fourthly, since financial constraints do not permit development of all the destinations at the same time, efforts should be made to prioritize development of attractions based on the number of tourist arrivals. Finally, the endeavour should be to develop those sites first which offer something new and unique which is rarely available elsewhere. Demand shall than be estimated for both national and foreign tourists. Published statistics on travel and tourism should be used & information be gathered about
accommodation available. Seasonal factor should also be looked into while estimating future demands.

2.2.2 Planning of site

Particular attention should be given to natural and cultural assets of the country which can be developed while taking precaution that the place is not unduly exploited. Efforts should also be made to ensure that the scenic beauty, cultural heritage and social values are maintained and are not damaged due to large influx of tourists which the spot is not able to handle. It will also be necessary to plan further tourism development in the selected zones to avoid excessive concentration in a particular area.

2.2.3 Basic Infrastructure

For the success of a tourism programme, it is necessary to provide infrastructural facilities & services as per the requirements of the tourists. These comprise of the services and utilities which are necessary to the operation of a tourism destination. The basic infrastructure required for tourist expansion has to be estimated precisely before starting the development phase. This infrastructure will also be specifically tourist in nature, e.g. transport, electricity etc. The requirements will vary from region to region e.g. in a mountain resort the infrastructure facilities would include trolly, trekking
facilities, etc. while the beaches would require boating, rafting, sailing, water scooters etc. The specific areas of infrastructure would however include power, water, communication, sewage and drainage, roads and highways, parks, recreation, health care facilities and other tourism promoting devices.

2.2.4 Financial Planning

Proper financial planning is the key to successful planning. A large amount of expenditure is required to make any major attraction worthy of tourism. Finances are required for both development of basic infrastructure and superstructure. The cost of the project should be assessed for a number of locations. Each proposal shall then be assessed separately to estimate its feasibility, cost – benefit ratio, and priority in making a plan. These should then be compared to finalize the projects which need funding on a priority basis. The project should be justified in terms of economic impact and its financial viability.

In the case of those countries which already possess an active tourist industry or have potential for increased tourism development, finances for investment will usually be available readily. However, in the case of developing countries, which are anxious to develop tourism, due to financial constraints, the provision of adequate resources may be difficult. The development of tourism sector will be only one of the
number of options for development before a government, since
government resources will inevitably be inadequate for all the projects
it has to undertake. The proposed investment in tourism must be
justified in terms of its anticipated contribution to the economic
development of the country. In addition, the foreign investments can
be welcomed by developing countries if they face shortage of funds.

2.2.5 Manpower Planning

Manpower planning in terms of having qualified and trained
manpower is prerequisite for efficient and professional management.
This factor is often neglected during the early stages of tourism
development. Since tourism is a service industry, a developing tourist
spot must take all necessary steps to build a pool of efficiently trained
people to man it. A number of jobs would have to be created to manage
the various tourist services. Special attention would be required for
producing trained personnel in each of these sectors to promote tourism.
Expansion in services should also be taken into account while planning
manpower needs. In manpower planning, programmes should be
conducted to screen and train prospective employees so that they could
acquire both attitudinal as well as technical skills. Attitudinal skills
contribute to an employee's success in tourism position and include
pride, flexibility adaptability and judgment. Technical skills required
include operation and maintenance of equipment, financial management, production and servicing of food beverage, personnel management, administration and computerization. A staff planning exercise is required to estimate the manpower need at various levels. This would involve a series of steps which include job analysis, preparing job descriptions, job specifications and preparing staff forecasts. This will help in forecasting the exact number of persons with specific skills and qualifications required at all important places within the tourist destination.

2.2.6 Administrative Planning

An administrative organization is also required to look after various aspects of tourism. This organization should have a well defined function and adequate resources to carry out its functions. Most of the countries have established special departments or agencies to manage and coordinate tourism programmes. Depending upon the economic, social and political structure in the country, the tourism organization may be a governmental department, a semi-governmental agency in the form of an autonomous bodies aided by government but operating outside its organizational structure. It may also be a private sector organization with government support and recognition. The administrative organization looks after both the legal aspects like
preparation of the legislation required for the installation of the various tourist services, classification of hotels, control of travel agencies etc. It has various departments for planning, marketing, research, training, legal and administrative services.

2.2.7 Planning for tourism marketing and promotion

Planning is also required for preparation of promotional activities required to launch the new tourist destinations both within and outside the country. The tourist is concerned with having an enjoyable and pleasant experience rather than worrying about the finer details associated with planning their journeys. These details are left to travel professionals and tourist agencies. The travel professional to manage this successfully have to keep contact with many agencies like national tourist offices, airlines, tour operators, travel agents, guides and escorts, hotels, convention and conference organizers etc., they have also to develop various channels of communications to attract tourist like tourist literature in the form of catalogues brochures, folders, mail, advertising, public relations and publicity. Promotion campaigns can be organized to promote tourism, which should be timed appropriately to get the maximum benefit.
2.2.8 Monitoring and Evaluation

Monitoring and evaluation has to be done periodically to reap the steady & maximum benefits from the tourism industry. Preparation of the plan document should not be considered as an end of the planning process. The plan has to be constantly monitored and evaluated to find out its short comings and to improve it further. Targets have to be revised continually in view of changing circumstances and resource availability. Plan should not be considered as a static document. It should rather be treated as a dynamic and evolved procedure which requires continuous updation at each and every stage. The change in government policies from time to time would also require change in the original plan to accommodate changes. Similarly, the change in tourist behaviour would also need to be studied in detail and plans revised.

2.2.9 Planning the time

Of late, time is also being considered as a resource since it is a factor which is limited & once spent, cannot be reproduced. Therefore, time factor is also a very important element. The planning could be a long term planning ranging from 10-25 years or a short term planning ranging from 3-7 years. In addition to long & short term plans, annual plans are made which serve as the controlling plan to check
acting as direction indicators for annual plans.

2.2.10 Environmental planning

Tourism is the world’s largest industry. Although, it seems to be a non-polluting industry, expanding tourism has the great capacity to pollute the environment. It is a fact that all over the world man has been using the natural resources without any thought of the future. The disadvantages of haphazard and unplanned development of tourism can be manifold. The environmental amenities which attract tourists have tended to be taken for granted. Preservation of their quality has only recently begin to concern the tourism development planners. It is ironical that quality of environment is the basis for attracting tourists which itself is being deteriorated due to mass tourism. This needs to be conserved. Tourism can become a positive factor for improving the environment, if certain amount of intelligent basic planning is done e.g. tourism has contributed to the preservation of historic sites and cultural values. Careful cleaning and beautifying ancient monuments, clearing the areas around monuments and improving them, for tourism purposes is a case in point where, through tourism development the environment is not degraded but in fact is improved.
2.3.1 The Sargent Committee

In India, the importance of tourism had been recognised even before the Second World War. The intervention of war, however, put a stop to the tourist promotion activities of the Government. The first conscious and organised efforts to promote tourism in India was made in the year 1945, when a Committee was set up by the Government of India under the Chairmanship of Sir John Sargent, the then Educational Adviser to the Government of India. The main objective of the Committee was to survey the potentialities of developing tourist traffic in the country. Following were the terms of reference of the Committee

(i) After reviewing the nature and extent of tourist (and pilgrim) traffic in India both from within the country and from overseas which existed before the war, to examine what scope there is for increasing such traffic or for developing other like traffic during the post-war period.

(ii) To suggest ways and means of creating, both in India and overseas the desire for touring including visits to holiday resorts, good climate stations, scenic places, places of pilgrimage of historical, and of archaeological interest in India.
developed and advertised for (a) Indian visitors; and (b) foreign visitors. The facilities to be considered should include means of travel from nearest railway station to residential accommodation, supply of literature and guide books, provision of authorised guides, etc.

(iv) To recommend what action should be taken for providing the necessary facilities by (a) Indian States and/or local government; (b) various departments of the Central Government.

(v) To deal with other aspects of tourist traffic not covered by the above terms of reference.

The Sargent Committee which submitted their interim report in October, 1946 were unanimously of the opinion that it would be in the interest of India to encourage and develop tourist traffic both internal and external by all possible means. The Committee was of the opinion that successful steps in the promotion of tourism would result in a substantial addition, both direct and indirect, to India’s revenue and that, if properly organised, every aspect of business could benefit greatly by an influx of tourists. One of the major recommendations of the Committee related to the setting up of a separate representative organisation of semi-officials. The Committee recommended that the
question of promoting and developing tourist traffic was a matter of
great national importance and therefore, it deserves the whole time
attention of a separate organisation, which should take initiative in such
matters as:

(i) Publicity both in India and abroad,

(ii) Production of suitable literature such as guide books,
folders, posters, etc.,

(iii) Provision for training of guides,

(iv) Liaison with other government departments responsible for
providing facilities required by tourists including
information in regard to industries and commercial
matters,

(v) Liaison with hotels and catering establishments,

(vi) Collection of tourist statistics,

Some of the other major recommendations of the Committee were:

(a) Coordination with air and train services with a view to
facilitate both air and train journey and to make it
comfortable in India.

(b) Provision of chain of first class hotels of international
standard for convenience and comfort of foreign tourists.
(c) Starting of publicity bureaux in London and New York and in the capitals of other countries from where substantial number of tourists might be forthcoming.

On careful examination of the terms of reference of the Committee it is evident that all the major aspects of tourism as we see them now have been covered. The major areas like provision of infrastructure, publicity both overseas as well as domestic, facilitation, coordination of agencies dealing with tourism at all levels were covered. The recommendations of the Committee had far-reaching effects on tourism as it developed during the subsequent years specially after India attained Independence. They formed the guidelines for the establishment of tourist organisation in the country soon after Independence.

On the eve of Independence, India had a fairly large infrastructure available for tourism. There was a large network of all types of hotels catering to the needs of both foreigners as well as Indians. There was adequate transport and communication system operating in the country. Almost all the major tourist centres were easily accessible by rail or by road, some even by air. Many airports in the country were in a position to receive international carriers. However, in the absence of a central tourist organisation there was no
coordination between the various services. Tourism in India developed properly only after a central tourist organisation was set up as a result of the recommendation of the Sargent Committee.

One of the major recommendations of the Sargent Committee was that “the work of development of tourism in India should be undertaken on a methodical basis by a separate organisation”. As a result of this recommendation, a separate Tourist Traffic Branch was set up in the Ministry of Transport in the year 1949 with main objective of development of tourist traffic in India. The subsequent years witnessed an expansion of Tourist Traffic Branch and its activities in various directions. With the increase in its activities the Tourist Traffic Division expanded considerably and during the year 1955-56, the Headquarters establishment was increased from one branch to four branches, each having wide ranging duties.

2.3.2 Tourist Information Offices

In India

Another important step during this period was the opening of a chain of tourist offices both in India and abroad. Steps were taken to establish Regional Offices at important ports of entry. Tourist offices were opened in Delhi, Bombay, Calcutta and Madras. This was followed by the establishment of a chain of information offices all over
the country. By the year 1955, nine such offices were opened. The functions of the tourist offices in India included supply of up-to-date information on places of tourist interests to tourists after they had arrived in India, keeping in touch with all the segments of travel trade, assisting the tourists in clearance of various travel formalities, distribution and display of tourist literature and periodic inspection of various facilities available for tourists. Tourist offices were also to ensure that the various amenities are developed and maintained in each region. In addition to attending to foreign tourists, the tourist offices were also to cater to the needs of domestic tourists.

*Overseas*

With a view to attracting foreign tourists to India, the Government decided to open a chain of tourist offices overseas. The first step in this direction was the establishment of Government of India Tourist Office in New York in the United State of America in December 1952. The reason for opening an office in the United States of America was that as an affluent country, its people had enough money and leisure to afford a holiday in India. To arouse interest among Europeans to visit India, a chain of offices were also opened in the continent. The first office in Europe was opened in London in July 1955. Two more offices were opened, one in Paris in February 1956
and the other in Frankfurt in September of the same year. In order to promote traffic from Australia and New Zealand, a tourist office was opened in Melbourne in September 1956. Also in 1956 an office was opened in Colombo on the occasion of 2,500th anniversary of Gautam Buddha. The office in Colombo was responsible for helping and promoting a large Buddhist traffic from Sri Lanka.

The duties performed by the tourist offices abroad were more or less similar to those performed by the regional offices abroad furnished preliminary information to the would-be tourists who intended visiting India. Their duties included publicity and public relations, sales promotion and reporting to the Central Department of Tourism about the trends in the tourist travel abroad.

In short, the functions of tourist offices abroad included acquainting the potential visitor about the various tourist attractions and facilities available in India through publicity, public relations and sales promotion.

2.3.3 Formation of the Ministry of Tourism

It was on 1st March 1958 that a separate tourism department was created in the Ministry of Transport to deal with all matters concerning tourism. The new department was put under the charge of the Director
General who had under him one Deputy Director General and four Directors each in charge of Administration, Publicity, Travel Relations and Planning and Development.

By 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; (I) Department of Tourism and (ii) Department of Civil Aviation. The Ministry was put under the charge of a full time Minister. With the formation of the new Ministry of Tourism and Civil Aviation, tourism got the importance due to it and thereby achieved all-round expansion in its activities.

The functions of the Union Ministry of Tourism and Civil Aviation in terms of Specific responsibilities are :-

(i) Organisation of meteorological services.

(ii) Provision of aerodromes, regulation and organisation of air traffic, aerodromes, aircraft, and air navigation.

(iii) Provision for the safety of aircraft.

(iv) Carriage of passengers and goods by air.

(v) Establishment of corporations under the Air Corporation Act, 1953.
(vi) Establishment of Railway Inspectorate.

(vii) Development and promotion of tourism.

(viii) Establishment of youth hostels.

(ix) Establishment of close contact with other ministries in respect of promotion of tourism.

(x) Coordination of various activities through various committees of Parliament, and other associations.

(xi) Negotiations with international and bilateral agencies.

(xii) Planning and organisation of tourist activities throughout the country in collaborations with the State governments and the Planning Commission.

(xiii) Inquiries and statistics for the purpose of any of the matters specified in this list.

(xiv) Implementation of treaties and agreements relating to any of the matters specified in this list.

In other words, the Union Ministry, gives advice on Civil Aviation and Tourism matters, coordinates Civil Aviation and Tourism programmes and policies, supplies technical information and provides financial and other assistance. Thus it mainly guides, assists and coordinates. The Ministry formulates national policies of civil aviation and tourism with the assistance of expert committees and the Board.
2.3.4 Department of Tourism

The Department of Tourism now 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. The Director General is assisted by one Additional Director General, one Joint Director General, a Deputy Secretary and five Deputy Director Generals.

The functions of the Department of Tourism are both notional and organisational which are conducted by the following seven divisions (i) Planning and Programmes, (ii) Publicity and Conference, (iii) Travel Trade and Hospitality, (iv) Accommodation, (v) Supplementary Accommodation and Wild Life (vi) Market Research, (vii) Administration.

The activities of the Department have since increased manifold and cover a wide range of subjects. The manifold activities fall under the following broad heads:

(i) Collection, compilation and dissemination of tourist information in India and abroad and attending to enquiries from international tourists, tour operators and travel industry, such as, airlines, steamship companies and hotels.
(ii) Cooperation with international travel and tourist organisations at government and non-government levels.

(iii) Development of tourist facilities of interest to international tourists.

(iv) Publicity at home and abroad with the object of creating an overall awareness of the importance of tourism.

(v) Simplification of frontier formalities in respect of international tourists.

(vi) Regulations of activities of the various segments of the travel trade, such as hotels, youth hostels, travel agents, wild life out-fitters, guides, tourist car operators and shopkeepers catering to tourist needs.

(vii) Compilation of statistics and market research on international tourist traffic to India and their utilisation for more effective tourist promotion.

2.3.5 Indian Tourism Development Corporation (ITDC)

Following the report of the ad-hoc Committee on Tourism also known as the Jha Committee (1963), which recommended that the public sector should assume a more active and positive role in promoting tourism, the Government of India set up in 1965 in the Department of Tourism three separate corporations, viz., Hotel
Corporation of India Ltd., India Tourism Corporation Ltd., and India Tourism Transport Undertaking Ltd. These Corporations were set up under the provision of the Companies Act, 1956. The main function of these Corporations was to construct and manage hotels in public sector, produce material for tourist publicity and to provide transport facilities to the tourists.

The Government later decided to merge these undertakings into one composite undertaking for the purpose of securing coordination in the policy and efficient and economic working of the three corporations. Accordingly, the Government set up in October, 1966 a public sector undertaking, namely the India Tourism Development Corporation Ltd. in Delhi under the aegis of the Department of Tourism by amalgamating the erstwhile three separate corporations. The unified Corporation started functioning with effect from October 1, 1966 with the mission to provide leadership & promote high quality integrated tourism services, achieving high level of excellence & also forging partnerships with State Governments for tourism development. In pursuance of the recommendations of the Administrative Reforms Commission (ARC), the control of the Ashoka Hotels Ltd. and the Janpath Hotels Ltd. was transferred from the then Ministry of Works, Housing and Supply to the Ministry of Tourism and Civil Aviation
from July 2, 1968. These two hotels and also Lodi and Ranjit hotels were amalgamated with India Tourism Development Corporation from March, 1970. The amalgamated Company known as India Tourism Development Corporation Ltd. (ITDC) came into being with effect from March 28, 1970.

**Objectives**

Broadly the objectives and functions of the unified Corporation fall under the following categories:

(i) Construction and management of hotels, motels, restaurants, tourist bungalows, guest houses and beach resorts at various places for accommodating tourists.

(ii) Provision of transport facilities to tourists.

(iii) Provision of entertainment facilities to tourists by way of organising cultural shows, music concerts, sound and light shows, etc.

(iv) Provision of shopping facilities to tourists.

(v) Provision of publicity services to assist India’s promotion overseas as a tourist destination and projecting the national importance of tourism at home.

With these objectives, ITDC has provided a wide range of services essential for promotion of tourism. Working in close
cooperation with the Department of Tourism in the central Ministry of Tourism and Civil Aviation, it is primarily concerned with the establishment of a solid infrastructure for the tourist industry and the provision of commercial services essential for the growth of tourist traffic. From 129 rooms and a transport fleet of 50 cars and coaches in 1969, the ITDC today is India’s largest accommodation chain with 34 hotels in 27 major destinations having 3,000 hotel rooms and a tourist transport fleet of over 300. ITDC services include accommodation and restaurants, 29 duty free shops at 6 International Airports, sound and light (Son et Lumiere) shows and the production of quality publicity material. The ITDC has established a marketing division at its headquarters in New Delhi to assist the travel industry through the coordinated sales promotion of its range of tourist services. India Tourism Development Corporation has played a key role in promoting the tourist product.

ITDC also offers a complete range of consultancy services with rich and versatile experience acquired over the years in Tourism related activities starting from conceiving the concept till its commissioning which broadly covers preparation of Techno-Economic Feasibility Report, Tourism Master Plan, Technical Services during Construction and Management Services during operation.
From a small beginning in the year 1949, the tourist organisation as it stands now has passed through various facets. The recognition given to tourism as an industry paved the way for its standing as an independent discipline. In between the years 1949 and today (2001), there has been a tremendous amount of work which has helped in strengthening the organisation. The appointment of various expert committees, advisory committees, councils and boards from time to time has also helped the organisation grow tremendously.

2.4 TOURISM PLANNING IN INDIA

India adopted a policy of development through planning in 1952, when the First Five Year Plan of tourism was formulated. The Planning Commission was set up to prepare the plan. Although tourism activity had started in a modest way in the early fifties, the Planning Commission did not take notice of it till the Second Plan in 1957-62. A modest provision of Rs. 336.38 lakhs was made in the Plan for development of tourist infrastructure for a five year period within Central and State sectors. In the fifties, there was little awareness in the country of the economic or social importance of tourism. Development had to begin 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 :-
(i) Part-I schemes dealt with the development of accommodation at places of international tourist interest, where foreign tourist could be attracted. The expenditure on such projects was incurred entirely by the Central Government.

(ii) 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 met half of the expenditure and the States met the balance.

(iii) Part – III schemes included projects which were primarily of local interest and were financed, therefore, State government. A number of tourist bungalows were constructed all over the country under the Part I Scheme, now named ‘Travellers Lodges” and managed by India Tourism Development Corporation (ITDC).

In the Third Plan (1962-67) this practice was continued with advantage resulting in a network of tourist facilities in areas where facilities were negligible. Bodh Gaya, Khajuraho, Bhubaneswar, Konarak, Mahabalipuram, Sanchi, Tiruchirapalli, Kanchipuram, Madurai and several other places were provided basic facilities
acceptable to foreign tourists. The Fourth Plan (1967-74) had a chequered story. Since there were not enough funds for a continuous plan, separate annual plans were prepared and executed. Under the new arrangement, the Central Department of Tourism completely took over the planning and development of facilities suitable for overseas tourists while the State Governments were assisted to develop facilities for domestic tourists. State governments were free to shape their plans the way they liked. No matching subsidies of fifty per cent were given by the Centre. It was a good decision as the States started developing their domestic plans independently of Central help though Central guidance through the Department of Tourism and the Planning Commission was provided. In the annual plans, in addition to development of infrastructure, tourism promotion overseas, especially the production of tourist literature for overseas markets, became part of the plan. This arrangement made it possible for the Central department of Tourism to expand its tourist promotion overseas by making available adequate quantity of better quality and variety of literature in a number of foreign languages.

The highlights of the fourth and fifth five year plans were the beginning of two major projects in the Central sector to attract destination tourist traffic, that is, those who come primarily to stay in
India and not transit through India. According to a survey carried out by the Indian Institute of Public Opinion for the Department of Tourism, the share of destination traffic to India in 1961-1962 was only 43.2 per cent. It rose to 52.2 per cent in 1964-65 and 73.6 per cent in 1972-73. Such traffic at present is estimated to be over seventy-five per cent. Another change noticed in the pattern of traffic was the predominance of the younger age group among international tourists visiting India. The largest number of tourists visiting India were in the age group of 31-50 years followed closely by 17-30 years age-group. Occupation-wise, the largest group consisted of educationists and students, followed by businessmen and those who professed no business presumably retired or dependent housewives.

The main reason for a change in pattern of traffic to India was the introduction of reduced fares on international air sectors. The approach to planning and development of tourism had, therefore, to undergo a change. India was getting more destination tourists who could be persuaded to stay longer. A whole new field of recreational activities had to be developed in the country. It was decided in the mid-sixties to meet the requirements of the new class of tourists. A programme drawn in the Fourth Plan and continuing in the Fifth Plan started with impressive allocations, but every year, it had to be pruned due to the
constraint on resources. In spite of all these difficulties sixteen youth hostel of international standard were constructed and furnished in different parts of India to serve as catalytic models to the States to construct similar hostels elsewhere. Several forest lodges, tourist bungalows and two major resorts – the Kovalam Beach Resort and the Gulmarg winter sports resort – were the results of the fourth and fifth plans, for desinational tourist traffic.

The preamble to the Fifth Five Year Plan of Tourism explained the role of the Centre and the State Governments. The Centre undertook projects which related to the promotion of international tourism and states were advised to confine their projects to serve the needs of domestic tourists or budget tourists from overseas. The objectives laid down for the Central Department of Tourism were the provision of accommodation and transport to match the anticipated growth in international tourism, to develop new resorts and tours to spread the traffic to different regions of the country.

The Sixth Five Year Plan envisaged very high targets: tourists – 1.7 million by 1985 and 3.5 million by 1990 – based on fifteen per cent annual growth in visitors to India. For the first time, the Planning Commission recognized the importance of tourism in the following words:-
“Tourist, both domestic and international, has rapidly won considerable recognition as an activity generating a number of social and economic benefits like promotion of national integration and international understanding, creation of employment opportunities, removal of regional imbalances, augmentation of foreign exchange earnings, thus redressing the balance of payments situation, etc. It is significant that many of these beneficial aspects of domestic and international tourism have special relevance to the socio-economic scene in India as emerging in the Sixth Plan period, cultural activities, both in urban and rural areas. Expenditure by tourist has a multiplier effect and also generates considerable tax revenue for Government, both in the central and State Sectors. It is also relevant that the various multi-faceted socio-economic benefits of tourism are achieved with a relatively low level of investment.”

Having put forward the case for tourism conveniently the Plan provided a meager outlay of Rs.187.46 crores for the period 1980-85 under the Central and State sectors. This worked out to 0.18 per cent of
the total plan – one of the lowest allocation in the plan. Two interesting concepts were introduced in the Sixth Plan – the concept of travel circuits and tourist villages. Sixty-one travel circuits were identified with 441 centres to be developed in the current decade. Tourist villages are yet to be identified and developed.

The travel circuits approach aimed at spreading tourism geographically and to enable every State of India to offer something to the visitors. A desirable objective, the concept led to spreading India’s resources so thin that there was hardly any visible development at any place during the eighties. The diversification of tourist centers all over India has to be matched with consumer demands. The consumer—especially the foreign visitors – is not likely to change preferences simply because it may be political necessity in India. As for tourist villages, the concept is laudable as it brings the visitors close to the Indian realities.

The concept of janata hotels developed by the Janata government during the brief period they were in power, was given up in the new Plan. There were, however, provisions to expand in the sphere of supplementary accommodation like youth hostels, tourist bungalows, and tourist lodges, etc.
In the Seventh Five Year Plan (1985-90) tourism received significant notice. Tourism related activities were given the status of an industry – which implied that such business activities were entitled to the same incentives and concessions as were applicable to an export industry. The concept of a large number of circuits gave place to the emphasis on outdoor holiday tourism – developing and strengthening infrastructure at beach and mountain resorts along with the normal activities of cultural tourism. Financial allocations for the Department of Tourism of the Central Government were enhanced from twenty-one crore rupees in the sixth plan to Rs.120 crore in the seventh plan. Similarly, allocation for the States were increased by three hundred per cent. The India Tourism Development Corporation was asked to fend for itself – its allocation in the seventh plan had been only eight crore rupees against forty-two crore rupees in the sixth plan. It was directed not to build any more luxury hotels and to confine its activities to building only three star accommodation. Tourism, it appears, got a boost in the seventh plan.

Though India is mainly conceived as a cultural tourist destination, it has diverse tourist attractions which need to be developed. A conscious policy was, therefore, been adopted during VIII Plan for the diversification and improvement of tourism product of
India including cultural tourist attractions. The schemes implemented during 8th Plan period for product development included the following:

(i) Promotion of fairs and festivals, rural craft melas, etc.
(ii) Refurbishment of monuments and environmental planning.
(iii) Flood lighting/Son Et Lumiere (SEL) shows.
(iv) Development of Pilgrim centers.
(v) Development of adventure sports facilities.
(vi) Special tourism areas.
(vii) Development of specific circuits through external aid.

As in the case of infrastructure development, the above schemes were also generally implemented through State/U.T. Governments by providing the necessary financial assistance under the normal funding pattern.

The tourism policy envisaged a selective approach based on travel circuit concept in the provision of tourism infrastructure to achieve intensive development of selected centers. A list of 61 travel circuits consisting of 441 centres was, thus, drawn up by the Central Government in 1983 in consultation with State/UT Governments. At the first instance, the number of circuits and centers selected were too large to achieve any significant results with the resources available.
Further the State/U.T. Governments were generally not having any firm commitment and adherence to the selected centers in their development plans. In general, the tendency has been to take up a large number of small projects of peripheral nature in as many centers as possible even outside the travel circuits. The Central Government also followed a scheme approach instead of an area approach in providing financial assistance to State/U.T. Governments. As a result, there was very little impact on the development of tourism infrastructure in any specific destination as resources were spread very thinly over a large area. As a corrective measure, a scheme for identification and development of “Special Tourism Areas” was taken up during Eight Plan period (1992-97). The plan envisaged the establishment of all inclusive tourism zones with identifiable boundaries in a few selected centers. The development was expected to take place according to specific master plans and was to be coordinated by “Special Tourism Area Development Authorities” set up for the purpose. The strategy was to provide the required basic infrastructure and support services like airports, railway lines, roads, water supply, electricity, sewerage, communication facilities etc. by the Government and encourage the private sector including foreign investors to invest heavily on tourism infrastructure like hotels, restaurants, entertainment facilities, transport services etc. in these areas.
The market research activities, database creation and computerization were given considerable importance during Eight Plan period. A number of surveys and studies were completed during the plan. A Tourist Information Network (TOURNET) was also established for providing up-to-date information about tourist facilities in India.

During IX Plan, the basic strategy was to establish effective coordination with all the relevant agencies so as to achieve synergy in the development of tourism. It was proposed to be achieved by establishing a formal institutional mechanism in the form of a “Board of Tourism Industry and Trade” under the Chairmanship of the Honourable Minister for Civil Aviation and Tourism.

Integrated development of infrastructure including basic amenities like internal roads, water and electricity supplies, sewerage and waste disposal systems in the identified tourist centers and circuits was another important strategy. Establishment of a few mega tourism resorts with 4000 to 10,000 hotel rooms and all the tourist facilities and attractions was to receive the highest priority during the IX Plan period.
Product development and improvement of tourist facilitation services, human resource development, market research and marketing efforts were given due attention.

The development process was proposed to be driven by private sector investment with Government acting as a facilitator and coordinator. A package of incentives and single window clearance mechanisms were to be provided to attract private investment.

Entrepreneurship development and promotion of self employment opportunities in the tourism sector was a new strategy to develop tourist facilities in the country.

Above all, the development activities were subject to environmental protection and cultural preservation.

The approach during IX Plan was to concentrate on a few selected centers and circuits to achieve balanced development of infrastructure in an integrated manner. As a result, the Central Government assistance to State/U.T. Governments for infrastructure development was confined to such identified centers and circuits each year till they got saturated.
The approved IX Plan outlay was Rs.485.75 crores against a demand of Rs.5780 crores, by the Deptt. Of Tourism, Government of India. As a result of the limited resources being used over vast areas, the national objectives in tourism development have not been achieved. A plethora of demands were received by the Central Government from the States for mounting sound and light spectacles, flood lighting of monuments, resort development, construction of aerodromes, air-linking of centers, etc. As a result, the available resources are spread thinly - preferring quantity to quality. The scarce funds were spent in providing air links and extending tourist facilities to the constituencies of central ministers.

The specific components of the Development activity during the IX Plan were outlined as :-

- Infrastructure development,
- Product development and diversification including development of mega tourism resorts,
- Entrepreneurship development and promotion of self-employment opportunities,
- Enhanced tourist facilitation,
- Human resource development,
- Research and computerization,
• Promotion and marketing,
• Environmental protection and cultural preservation,
• Provision of incentives,
• Monitoring and evaluation, and
• Strengthening of organization.

The best part of planning has been the availability of funds for hotel loans in the private sector. This facility helped the development of Indian tourism infrastructure more than most other projects put together when easy availability of loans and their incentives attracted investors to build some of the finest hotels in the world. Tourism planning therefore, has to be done professionally backed by market research and other studies. Hence conceptually, Indian planning has much to commend. But its implementation has been slow and not result-oriented.