Revamping India's Tourism Sector

This editorial is based on ''The skilling potential of tourism'' which was published in The Business Line on 28/05/2024. The article explores the "Hunar se Rozgar" (Skill to Employment) scheme, focusing on its role in the tourism sector and its impact on employment opportunities.

For Prelims: Tourism sector**,** Ministry of Tourism**,** Swadesh Darshan Scheme**,** Dekho Apna Desh Initiative**,** Ek Bharat Shreshtha BharatIndia@75 Azadi ka Amrit Mahotsav Foreign Tourist Arrivals (FTAs**,** World Economic Forum's Travel & Tourism Development GDP**.,** foreign exchange**,** "Vasudhaiva Kutumbakam**,** Dharamshala Declaration

For Mains: The tourism sector in India and major issues related to the tourism sector.

In 2009, the **Ministry of Tourism** implemented a scheme called **'Hunar se Rozgar Tak'** (Skill to Employment), which is relatively less known. This initiative primarily targets **school dropouts,** providing them with training for either **employment or self-employment**, and operates with an annual budget of approximately **₹30 crore.**

The **Hunar se RozgarTak (HSRT)** scheme aims to bridge the gap between the demand and supply of a skilled workforce by providing **market-relevant training** and promoting self-employment and entrepreneurship among the urban poor.

Despite endeavours to incorporate the unorganised sector into mainstream employment through essential **skills training**, there persists a noticeable gap in youth employment. It's important to note that strengthening the tourism sector **in India** could enhance the scheme's effectiveness, potentially attracting more participants and fostering employment opportunities within this vital industry.

The Indian Tourism sector ranks among the **fastest-growing economic sectors** in the country. In light of India's G20 Presidency and the **India@75 Azadi ka Amrit Mahotsav** celebrations, the Ministry of Tourism has designated 2023 as the **'Visit India Year'** to promote inbound travel.

The one land that all men desire to see and having seen once, by even a glimpse, would not give the glimpse for all the shows of all the rest of the globe combined. – "Mark Twain''

What is the Current Status and Potential of India's Tourism Sector?

- **Current Status:**
    - **Economic Development:**
        - India's rank on the World Economic Forum's Travel & Tourism Development **Index 2024** has risen to **39th** place and it contributes 7% to **India's Gross Domestic Product (GDP).**
        - Cumulative **FDI equity inflow** in the **Hotel and Tourism industry** was USD 17.1

billion during the period April 2000-December 2023, this constitutes **2.57%** of the total FDI inflow received across sectors.
- As per **India Brand Equity Foundation (IBEF)** report on the Growth of Tourism and Hospitality Industry, Travel and tourism are two of the largest industries in India, with a total contribution of about USD 178 billion to the country's GDP.
  - **Employment Generation:**
    - Travel & Tourism generated **32.1 million jobs**, accounting for **6.9%** of **total employment in 2021**
    - For instance, the hospitality industry, including **hotels, restaurants, and travel agencies**, employs millions of people directly and indirectly.
  - **Tourists Arrival:**
    - Domestic tourism has been a driving force for the industry, with over **1.8 billion domestic tourist visits in 2019**, contributing significantly to the economy.
    - As per the **Ministry of Tourism, Foreign Tourist Arrivals (FTAs)** in December 2023 were 1,070,163.
    - FTAs during the period January-December 2023 were 9,236,108 as compared to 6,437,467 in January-December 2022.
  - **Top Destinations:**
    - Popular destinations include the Taj Mahal in Agra, the Golden Temple in Amritsar, the beaches of Goa, the backwaters of Kerala, and the hill stations of Himachal Pradesh and Uttarakhand.
- **Potential:**
  - **International Tourist arrival:** The country's big coastline is dotted with several attractive beaches. With this, the travel market in India is projected to reach **USD125 Billion** by the Financial Year 2027 and International Tourist arrival is expected to reach **30.5 million by 2028.**
  - **Job Opportunity: By 2029**, it is expected to account for about **53 million jobs.** In India, the industry's direct contribution to the GDP is expected to record an annual growth rate of 7-9% between 2019 and 2030.
  - **Business Growth:** The travel market in India is projected to reach **US$ 125 billion by FY27** from an estimated USD 75 billion in FY20.
    - The Indian airline travel market was estimated at ~**USD 20 billion** and is projected to double in size by FY27 due to improving **airport infrastructure** and growing access to passports.
    - The Indian **hotel market** including domestic, inbound, and outbound was estimated at ~**USD 32 billion in FY20** and is expected to reach ~USD 52 billion by FY27, driven by the surging demand from travellers and sustained efforts of travel agents to boost the market.

Note:

In 2012, National Geographic's Traveller magazine named Kerala as one of the "ten paradises of the world" and "50 must see destinations of a lifetime". Travel and Leisure also described Kerala as "One of the 100 great trips for the 21st century".

What is the Significance of the Tourism Sector in India?

- **Foreign Exchange:**
  - Tourism significantly impacts the balance of payments, being India's third-largest foreign exchange earner.
  - Examples such as the influx of **international tourists to the Taj Mahal** in Agra, which generates substantial foreign exchange revenue.
- **Multiplier Effect:**
  - Tourism has **'positive spillover effects'** on other sectors such as food and catering, hotels and restaurants, real estate, and transportation.
  - For example, the rise in tourism in a city **like Jaipur** has led to increased demand for local

crafts, real estate developments, and transportation services.

- **Inclusive Growth:**
  - The tourism industry stimulates economic activity in fragile and remote rural, tribal, and hill areas with relatively poor infrastructure, **unlocking the value of** cultural heritage and ecological sites.
    - For example, eco-tourism initiatives in the northeastern states of India have created job opportunities and promoted sustainable development in these regions.
- **Inter-cultural exchanges:**
  - It fosters new ideas, promoting tolerance and acceptance of diversity, thus helping build social capital in India.
  - For example, festivals like the **Jaipur Literature Festival and Goa Carnival attract** visitors from all over India, fostering a sense of national unity and cultural exchange.
- **Strategic Diplomacy Tool:**
  - Tourism enhances bilateral relations and people-to-people connections, creating sustainable **"dependency bonds"** that ensure peace.
  - For example, India's cultural exchanges with countries like **Japan and South Korea** through tourism have strengthened diplomatic ties and mutual understanding.

What are the Various Issues Associated With the Tourism Sector in India?

- **Inadequate Infrastructure:**
  - Many tourist destinations **lack essential infrastructure,** such as adequate air, rail, and road connectivity, reliable internet access, and proper hospitality, health, and sanitation facilities.
  - For example, remote areas in the **North-East** and certain **rural tourist spots** often struggle with poor connectivity and basic amenities.
- **Governance Challenges:**
  - There are several governance issues, including a **lack of clear guidelines** for tourists, **poorly regulated health and hygiene standards,** inefficiently managed tourist information centres, and cumbersome visa regulations.
  - All these challenges in the long run deter potential visitors.
- **The multiplicity of Taxes:**
  - The tourism industry faces a complex tax structure, with multiple taxes applied across the entire value chain, from **tour operators and transporters to the airline industry and hotels.**
  - This complexity makes tourism an expensive endeavour in India. For example, high **Goods and Service (GST) rates** on hotel rooms and tour services can significantly increase costs for tourists.
- **Unskilled Human Resources:**
  - There is a **shortage of skilled manpower** in the tourism sector, including a lack of relevant skills such as **multilingual abilities** and professional training.
  - For instance, the limited number of trained multilingual guides can hinder the experience of international tourists.
- **Safety of Tourists:**
  - Safety concerns, including instances of crimes against tourists such as theft and duping, particularly affect women.
  - For example, A foreign women tourist was gang-raped in Jharkhand's Dumka district in March 2024.

What are the Different Initiatives Related to Tourism in India?

- **Boosting Tourist Place Attractiveness:**
  - **Swadesh Darshan Scheme: The** Swadesh Darshan Scheme **was** launched to develop **theme-based tourist circuits** across India, leveraging cultural, historical, and natural heritage.
    - Improved infrastructure and tourist experiences in circuits like the **Buddhist Circuit, Coastal Circuit, Desert Circuit, and Eco Circuit.**
  - **PRASAD Scheme:** Focuses on the development and beautification of pilgrimage sites.
  - **HRIDAY (Heritage City Development and Augmentation Yojana):** Aims to preserve

and revitalize heritage cities.
- **Paryatan Parv:** A nationwide campaign to encourage domestic tourism, involving cultural events and activities
- **Dekho Apna Desh Initiative**: [Dekho Apna Desh Initiative](#) **encourages** domestic tourism by promoting the exploration of India's diverse landscapes and cultural heritage.
- **Ek Bharat Shreshtha Bharat:** [Ek Bharat Shreshtha Bharat](#) promotes cultural integration through state pairings, encouraging exchange and collaboration and fostering unity and diversity, enhancing domestic tourism and cultural appreciation.

- **National Tourism Policy, 2022**: The Policy aims at improving framework conditions for tourism development in the country, supporting tourism industries, strengthening tourism, support functions and developing tourism sub-sectors and focusing on **Five Key Areas:**
  - Green tourism,
  - Digital tourism,
  - Destination management,
  - Skilling in the hospitality sector and
  - Supporting tourism-related to [Micro, Small and Medium Enterprises (MSMEs).](#)

- **Digital Initiatives**
  - **e-Visa Facility:** This initiative simplifies the visa application process, allowing tourists to apply online and receive an electronic visa, enhancing convenience and boosting international arrivals.
  - **Web-based E-Ticketing:** Implemented for major tourist attractions and monuments, this system reduces wait times and improves visitor management.
  - **National Integrated Database of Hospitality Industry (NIDHI):** A comprehensive database of accommodation units across the country, NIDHI aims to provide accurate and updated information about the hospitality sector.
  - **Swachh Paryatan Mobile App:** Launched to address cleanliness issues at tourist spots, this app allows tourists to report unclean areas, ensuring timely action by authorities.

The Hunar Se RozgarTak Scheme

- **About:**
  - The Hunar Se Rozgar Tak (HSRT) scheme, was launched by the Government of India in the year **2009-10** for the creation of employable skills amongst youth.
  - The initiative is fully funded by the Ministry of Tourism.
- **Objective:**
  - The primary goal is to offer **short-term vocational training** to non-literate, semi-literate, and educated unemployed youth **aged 18-28 years** to improve their skills and employability.
- **Target Groups:**
  - The scheme focuses on school dropouts, unemployed youth, adolescent girls, housewives, and other marginalised groups.
- **Strengths:**
  - **Appealing core principles of the scheme:** Which focus on providing vocational training and employment opportunities to less educated youth, resonate well with the public and align with broader socio-economic goals.
    - These principles highlight the scheme's commitment to addressing **unemployment and enhancing skills**, making it a desirable initiative for participants and supporters alike.
- **Weaknesses:**
  - **Bureaucratic delays:** Procrastination from both government and private institutions hinders progress.
    - Stakeholders need to streamline processes via an online portal.
  - **Lack of Awareness:** lack of Information, education, and communication (IEC) activities leads to the failure of the scheme.
  - **Implementation Hindrances:** Guidelines are restrictive, favouring government institutions like **Tourist and Hotel Management Institutions.**

What are the Various Strategies Needed to Revamp the Tourism Sector?

- **Improving Connectivity and Infrastructure Development:**
    - Enhancing **transportation links** to remote tourist destinations is crucial for encouraging the exploration of lesser-known places.
    - **Public-private partnerships** or government investments can drive these improvements, ensuring better accessibility and promoting regional tourism.
        - The **Konkan Railway Corporation Limited (KRCL)** was established as a **joint venture** between the Government of India and various state governments, connecting Mumbai to Mangalore, and passing through scenic coastal areas and remote regions.
- **Tax Reform and Harmonization:**
    - Advocate for tax reform to simplify the **complex tax structure** in the tourism industry.
    - Work towards harmonizing various taxes levied on tour operators, transporters, airlines, and hotels to create a more uniform and transparent taxation system.
    - This can reduce administrative burden and **lowering GST rates** can make tourism more cost-effective for travelers and **compliance costs** for businesses while making tourism more affordable for visitors.
- **Focusing on Safety and Security:**
    - Ensuring the safety and security of tourists is vital for the growth of the tourism sector.
    - Measures such as deploying **tourism police, implementing strict security protocols at attractions**, and promoting safe travel practices will enhance tourists' confidence in travelling within India.
- **Training Programs:**
    - Providing comprehensive training programs to the unskilled workforce especially those involved in the tourism industry will enhance service quality, and schemes like **Hunar se rozar** tak can be optimised to promote tourism and employment.
    - These programs can focus on customer service, cultural sensitivity, and language skills, ensuring that tourists have a positive experience and feel welcomed.
    - **Cultural sensitivity training** for both tourists and industry professionals can reduce misunderstandings and promote respect for local traditions.
- **Enhancing Online Presence:**
    - Utilizing social media, travel websites, and virtual tours can significantly boost the visibility of tourist destinations. A strong online presence will attract global attention and make it easier for potential tourists to plan their trips.
    - A digital unified system to promote these places can significantly boost tourism and schemes like the **"Ek Bharat Shreshtha Bharat,"** mapping out and promoting various attractions through social media.

Conclusion

Leveraging India's rich heritage and diverse cuisine can enhance its soft power and attract foreign revenue and by doing so India can promote employment and attract the unorganised sector, India's philosophy of **"Vasudhaiva Kutumbakam"** supports multilateralism, and culinary tourism can showcase this ethos. The recent **Dharamshala Declaration** recognizes India's potential in global tourism and promotes domestic tourism initiatives.

> ***Drishti Mains Question:***
>
> Discuss the key challenges related to the tourism sector and what strategies can be implemented to improve infrastructure and connectivity to remote tourist destinations in India?"

UPSC Civil Services Examination, Previous Year Question (PYQ)

Mains

Q.1 How can the mountain ecosystem be restored from the negative impact of development initiatives and tourism? **(2019)**

Q.2 The states of Jammu and Kashmir, Himachal Pradesh and Uttarakhand are reaching the limits of their ecological carrying capacity due to tourism. Critically evaluate. **(2015)**