An International Peer Reviewed

# SCHOLARLY RESEARCH JOURNAL FOR INTERDISCIPLINARY STUDIES



## GOVERNMENT'S STRATEGY IN DEVELOPMENT OF TOURISM INFRASTRUCTURE

P.R.Karulkar Asst. Professor, K.G.Uran College of Commerce and Arts, Uran-Raigad

### **Abstract**

Infrastructure plays a very important role in tourism development. It is the responsibility of the government to make systematic plan and provision for development of tourism activity in India. Availability of good infrastructure is one of the essential requirements for attracting more tourists, both international as well as domestic, to any tourist destination. If India would be in a plan to provide good infrastructure then it will be the most attractive destination in 21<sup>st</sup> centuryThe object of this research paper to study the performance of the schemes for development of Tourism infrastructure in XI plan and what will be Government proposed strategies for development of tourism infrastructure in XII plan. This study mainly focuses on the secondary data available on Tourism Report of Government of India. Finally the paper will conclude with remark of sustainable development of Tourism in 21<sup>st</sup> century is possible only if government will have a proper wisdom and vision while framing Government Policy for tourism development.

Key Words: Tourism, Tourism infrastructure, Tourism management, Tourism development,
Sustainable Tourism



<u>Scholarly Research Journal's</u> is licensed Based on a work at <u>www.srjis.com</u> 4.194, 2013 SJIF© SRJIS 2014

Introduction: Tourism involves activities of persons travelling to a staying in places outside their usual environment for leisure, business and other purposes. Tourism is not only a growth engine but also an export growth engine and employment generator. In India, the tourism sector has witnessed significant growth in recent years. Foreign Tourist Arrivals in India during 2013 were 6.97 million compared to 4.45 million during 2006. Foreign Exchange were 18445 in US \$ compared to 8634 in US \$ during 2006. Despite the slowdown a recessionary trends in the economies of Europe and America FTA during 2011 were 6.29 million with a growth of 8.9% over 2010 and Foreign exchange earnings in 2011 were Rs.77,591 crore with a growth of 19.6%. The number of domestic tourist visit to all states 1145 million registering an annual growth rate 9.6%

This increase in the number of foreign tourist and domestic tourist and increase in the earning of foreign is possible due to launching campaigns such as Incredible India, Atithi Devo Bhav and wellness campaign to promote the Indian tourism.

Availability of good infrastructure is one of the essential requirements for attracting more tourists, both at domestic and as well as at International level. Non availability of quality infrastructure creates a problem for attracting large number of tourist at some destination. Adequate and proper infrastructure will create economic growth, employment generation and preservation of art, culture and heritage. But it is not possible if there is no proper planning and management of tourism infrastructure.

Tourism sector projects are capital intensive. Roads, signage, lighting, transport linkages, parking etc. require government findings. Projects like as hotels, tourist trains, golf courses, normally requires professional expertise. It can be managed privately.

To attract large number of tourist these facilities are necessary. For that Government should manage the available resources optimally and maintain sustainable tourism.

**Objectives:** To study the important scheme that government has implemented during 11<sup>th</sup> plan. To study the proposed strategies of Tourism infrastructure during 12<sup>th</sup> plan.

Research Methodology: Secondary data is considered for this study.

**Limitations of the Study:** This study only considers the important theoretical points which explain the schemes of tourism infrastructure. Statistical figures are not included. Whatever the data is available through internet sources that are considered for this study.

Discussion: Performance of the schemes for development of tourism Infrastructure in XI plan

Year	Total	Allocation for Infrastructure Development	
	Allocation(Rs.cr)		
		Amt (Rs.Cr.)	% of allocation to the
			total
2007-08	953.00	550.00	57.71
2008-09	1000.00	590.00	59.00
2009-10	950.00	524.50	55.21
2010-11	1000.00	555.85	55.85

**Budget Allocation:** 

(Sources: Report of the working Group on Tourism for XII five year plan)

It has been observed in the above table that more than half of the plan allocation was devoted relating to infrastructure development.

#### **Important Schemes implemented by Government:**

I Product/ Infrastructure Development for Destinations and Circuits: This is very important scheme. Ministry of Tourism has allotted half of the total allocation.100% funds are utilised by Government. Under this scheme Rs. 25 crore financial assistance for mega destinations and Rs.50 corer for mega circuit is sanctioned. Due to this financial assistance government have identified 45 mega destinations/circuits out of which 29 have already been sanctioned.

II Large Revenue Generating Projects Schemes: This scheme was formulated to involve the private sector in the development of tourism infrastructure. Under this only a few luxury trains have been sanctioned

III Assistance to Central Agencies for Tourism Infrastructure Development: Under this scheme a number of the projects were being implemented by ITDC for which direct funding was provided. However, such agencies are not forthcoming with their proposals and hence Central Financial Assistance is now generally released to the State Governments/U.T. Administrations, who identify the implementing agencies for the sanctioned projects.

**IV** Creation of Land Bank for Hotels: This scheme was launched by Ministry of Tourism for making payment to land owning agencies for land allotment to the Ministry. This land was to be used for hotel construction in PPP mode. Unfortunately very few states and central agencies have offered land under the scheme.

V Incentive to Accommodation Infrastructure: Under this scheme, subsidy was provided for construction of new rooms in budget category hotels. This scheme was valid till 31<sup>st</sup> March, 2008. The government is in the process of modifying this scheme for implementation during the 12<sup>th</sup> year plan.

#### Proposed Strategies for Development of Tourism Infrastructure during XII Plan:

**Strategy I Integrated development of Major Circuits/Destinations:** 1) A Tourist circuit is defined as a route on which at least three major destinations are located such that none of these are in the same town, village or city. It should not be also by a long distance. A tourist who enters at the entry point should get motivated to visit all the places identified on the circuit.

2) Promotion of local arts, cultural traits, handcrafts could also to generate livelihoods in the identified regions. This strategy would also enhance non-cash livelihood benefits to locals with focus on improving access to services and infrastructure like healthcare, security, water supplies, transport, sanitation, waste disposal etc. The infrastructure thus create or upgraded would improve the standards of the locality or region with a long term perspective. 3) Selection of these circuits will be undertaken in each state in consultation with the state government and would be taken up for development. Modern amenities, computerized online services, world class tourist facilities and infrastructure shall be the outcome of the mega circuit under this scheme. 4) India is a multicultural country. So the Religious Tourism development approaches also to be considered. Following tourist places can be developed in to religious circuits in the initial phase.

#### **Buddist Circuit**

- i) Bodhgaya-Nalanda-Rajgir
- ii) Varanasi-Sarnath-Kusinagar-Piparwah-Lumbini
- iii) Nagarjunakonda-Amravati-Aurangabad (Ajanta-Ellora)

#### Jain Circuit:

- i) Jodhpur-Bikaner-Jaisalmer-Nagaur
- ii) Bhavnagar-Nehsana-Patan-Udaipur-Sirohi-Pali-Jaisalmer
- iii) Bengaluru-Mandya-Hassan-Dakshin Kannada-Udupi
- iv) Bhojpur-Vidisha-Damoh-Chattarpur

#### Sikh Circuit:

- i) Golden Temple-Other Curudwaras in Punjab
- ii) Amritsar-Delhi-Patana
- iii) Amritsar-Delhi-Patana-Nanded
- iv) Gurudwaras in East & North-East

#### Hinduism Circuit:

- i) Haridwar-Kedarnath-Joshimath-Badrinath-Haridwar
- ii) Barsana-Gokul-Nandgaon-Mathura-Vrindavan-Govardhan
- iii) Tirupati-Chennai-Mahabalipuram

#### **Christianity Circuit:**

- i) Churches of Goa
- ii) Churches of Kerala-Malayattor, Santacruz Basilica, St Francis Chruch
- iii) Churches of Tamil Nadu-Velankanni, Santhome, St George Cathedral

Ministry of Tourism required outlay for XII plan: Rs. 9450 Cr

Basic Infrastructure covered in this strategy:

- i) Beautification of destination sites
- ii) Landscaping of parks, fountains, walkways, signage, waterfronts, street lighting etc.
- iii) Waste management-water supply, rain water, drainage/harvesting
- iv) Road connectivity and wayside amenities
- v) Helipads, heliport, air strips
- vi) Up gradation of passenger terminals-bus, rail and jetties
- vii) Parking facilities for cars, buses, caravan Park, etc.

Tourist Infrastructure: 1. Budget accommodation, restaurants, amusement parks, craft villages, theme parks, golf courses, etc 2. Convention centres, open air theatres. 3. Restoration and conservation of heritage structure. 4. Cement concrete pathways. 5. Tourist information centres, reservation centres. 6. Equipment for water sports, adventure sports. 7. Eco-friendly transportation. 8. Equipment for use of renewable sources of energy etc.9. Government of India contribution would be capped at Rs 270 crore for one circuit development for identified circuits based on tourist traffic.

Strategy-II Developing Tourism parks: A Tourism park, which is proposed to be established near an existing tourist destination, would be developed with an idea to hold back the tourists for an extended period and to increase the number of visits. The salient features of the proposed Tourism Park would include.. i) The Tourism Park would be developed adjacent to an existing, developing or undeveloped destination with high potential. ii) Minimum area to be developed is 50 acre. The land would be provided by the State Government or Private Sector, recommended by State Govt., and should be free of all encumbrances. iii) Development of commercial tourism activities within the Tourism Park would be left to private entrepreneurs. Commercial tourism activities within the Park could include budget hotel, resorts, convention centre, min golf courses, retail spaces, food plaza, entertainment and amusement facilities etc. iv)The estimated cost of developing 20 Tourism Parks is Rs. 1000 Cr.

**Strategy-III Developing Rural Tourism Clusters:** Rural Tourism helps the inclusive development in remote and backward areas. Ministry of Tourism has already sanctioned 172 rural tourism projects, but benefits have not been achieved. One of the limitations of the current strategy is the sanctioning of rural tourism projects on stand-alone basis, In the 12<sup>th</sup> plan, current strategy is proposed to be revised to pursue a cluster approach rather than standalone approach. Following are the details of this strategy. i) Identification of clusters of 5 to 7 villages having unique craft, ethnic art forms ii) Creation of tourism awareness in host

community. iii) Facilitating marketing of local products through creation of Craft Bazaars/Haats. iv) Developing basic local infrastructure and sanitation through the local government. v) Physical infrastructure components. vi) Development of Accommodation/Home stay facilities. vii) 70 clusters to be identified and developed in XII Plan with an outlay of Rs. 770 Cr.

Strategy IV Continuation of the Existing Scheme of PIDDC: It is proposed to include new items while continuing the existing scheme. i) Ropeways in remote and hilly areas under LRG scheme. ii) Funding for construction of air strips on the pattern of those developed by Government of MP, to improve connectivity amongst the destinations not having regular airports. iii) Various equipment relating to renewable sources of energy and eco-friendly transportation. iv) Nearest road connection-to the extent feasible, state/UT should try to evolve convergence with the scheme of "Pradhan Mantri Gramin Sadak Yojana" in which construction of 5 km road for habitation with 500 populations is already allowed. v) Equipment for water sports, adventure sports. vi) Waste Management and water Management. vii) Marine Parks. viii) Golf Course. ix) Film City/Museum. x) Total outlay required for this scheme during 12<sup>th</sup> Plan will be Rs. 4000 crore.

Connectivity to Important Tourist Destinations: Air connectivity to some of non-metro cities is still a problem. The air connectivity in North-Eastern region and other hilly regions also needs improvement. Both Ministry of Railways and Ministry of Tourism have agreed to collaborate in the up gradation of 24 railway stations in the country. This plan should be implemented.

Incentives Schemes for Budget Hotels: Under this scheme, the land owning agencies of State or Central government would be incentivised through financial grants from the Government of India if they make available land for developing budget category hotels in Public Private Partnership mode. It is envisaged that around 100 new Budget Hotels in the category 1, 2 and 3 star with around 3440 rooms would be created by the end of the XIIth Plan period.

**Bread and Breakfast/Homestay Scheme:** Ministry of tourism will continue its efforts to expand this segment and encourage States to provide tax incentives as provided by Delhi Govt.

**Indian Tourism Development Corporation:** ITDC play very important role in Indian Tourism. They have prepared road map which will serve as a guidelines for development tourism infrastructure. Following are a few strategies: i) Maximise the revenue by leveraging resources of existing hotels through Public Private Partnership and consolidation of existing

businesses. ii) Up gradation of products through renovation of hotels to match the international standards. iii) Reengineering of existing Business Unit for operational efficiency. iv) Develop ITDC as Hospitality and Skill Development Major. v) Improving brank image through product up gradation, better services and enhanced public relations.

**Requirement of Funds:** The total requirement of funds for various infrastructure development of tourism during 12<sup>th</sup> Plan will be Rs. 16,180 crore.

Conclusion: Planning is very first step of Management. Well planned Infrastructure development is very important for maintaining sustainable tourism growth. Working group on Tourism has suggested very good strategy for development of tourism infrastructure. There is more emphasis is given on Circuit tourism. The Strategy of Tourism Park is also good. Strategy of developing Rural Tourism Clusters will provide lot of employment opportunities for rural people. It will also help to achieve rural economic growth. Provide incentives to Budget hotels are also very important for developing budget hotels. Indian Tourism Development Corporation has also given valuable strategy for increasing tourism. India has a lot of tourism potential if they follow and implement proper strategy for development of tourism infrastructure. To compete in the Global world Public Private Partnership model is the best remedy for maintaining sustainable tourism in 21st Century.

#### References

Chattopadhyay, K. (1995). Economic Impact of Tourism-An Indian Experience, New Delhi: Kaniksha.

- M. R. Biju, (2006). Sustainable Dimensions of Tourism management, New Delhi: Mittal Publications.
- P. C. Sinha, (2002). Tourism, Transport and Travel Management, New Delhi: Anmol Publications Pvt. Ltd.

Prem Nath Seth, (1997). Successful Tourism Management-Tourism Practices, Sterling Publications.

Romila Chawla.,(2004). Economics of Tourism and Development, New Delhi:,Sonali Publications.

Report of the Working Group on Tourism for XII Five Year Plan.

Website of Ministry of Tourism of India.