Tourism Development and 'Make in India': What is Lacking

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Abstract: *The globalizing India backed by ICT enabled knowledge has brought both opportunities and challenges. The redesigned macro-economic policy frameworks in order to give a leading role to the market and enhance global exchange substantially increased international interdependence and scope for global governance. Simultaneously, market vulnerabilities and uncertainties, competitive pressures, uneven gains and demands for high-end skill-intensive services assumed significant proportions. India witnessed high growth rates but had discouraging human development gains in employment, social and economic equalities and poverty removal making the marginalized people more vulnerable with climate change and pollution assuming serious challenges. The youth disenchantment contextualized in India's multi-ethnic and multi-religious society given the soaring aspirations of diverse regional political groups poses a daunting challenge to India. This calls for an immediate action.*

It seems the Government of India (GoI) is sensitive to these challenges and decided to launch 'Make in India' model in September 2014. Given its focus on the manufacturing sector as an engine of growth to achieve transformation of the Indian society, it requires an active coordinated and planned participation of all the sectors and policy initiatives.

In this background, GoI recognized the developmental role of tourism, travel and hospitality given their strong forward and backward linkages in the economy. It significantly contributes to the national economy. The GoI's major initiatives taken with respect to FDI, Fiscal Incentives, E-Tourist Visa facilities, Niche Tourism linked to Cruise, Golf and Rural area, Skill Development and to make 'Incredible India' – a 'must revisit, must experience' destination, are in line with policies of 'Make in India'.

This paper (i) reviews the role and growth of tourism development in India while placing it in the wider perspective of globalization; (ii) brings out that 'Make in India' can be an effective policy instrument if it is decided after analyzing the systemic weaknesses and strengths; and (iii) highlights that if tourism is to become a potent instrument of 'make in India', it requires serious efforts to be made on many fronts, in which the role of institutionalized Code of Conduct and Ethics (CCE) and their evaluative frameworks cannot be ignored.

Keywords: *Ethics, Globalization, 'Make in India', Tourism*

1. Introduction

Liberalism, privatization and globalization (LPG) induced market-oriented macroeconomic policy changes backed by ICT revolution has made the world a global village. This has led to an enhanced international exchange and interdependence along with market vulnerabilities going together. The resulting uneven development outcomes have also brought serious challenges; which turn out to be daunting once placed in the context of widely differentiated socio-eco-political society of India [1].

In this background, the GoI launched its 'Make in India' programme, of which travel, is an integral part. Tourism including travel and hospitality has become one of the most vibrant sectors despite unpredictable and ever-increasing shocks from political instability and terrorist attacks across the world. Currently, it contributes 10% of global GDP, 7% of total world exports, about 10% of global jobs, and 7% of total world exports and 30% of world service exports [2].

In India, tourism contributes about 10% of GDP, generates 9% of jobs (direct and indirect and induced) and is the 3rd largest foreign exchange earner [3]. For every USD 1 million in travel and tourism spending generates USD 1.3 million GDP. India's rank improved to 40 in 2017 from 65 in 2013. World Tourist arrivals are expected to rise to about 1% in near future [4]. Tourism in India is further expected to grow in future too given its assured

strategic importance, socio-eco-cultural benefits and economic significance seen in terms of direct, indirect and induced contribution of the 5 main segments (accommodation & catering, transportation, attractions, travel agents, and tour operations) in GDP [5]. This is likely to be further strengthened with new tourism products and segments, such as, medical and eco-tourism, heritage and pilgrimage tourism, rural and adventure tourism and luxury tourism [6].

Tourism, thus, can play a critical role in the 'Make in India' model by eventually helping India to grow consistently at 9-10 percent while creating jobs for the young population. India's demographic transition is unique [7] with its population getting younger till 2032 and European and the Americans getting older. The light dependency burdens, with right kind of policies offer great prospectus to government [8].

2. Tourism Development in India

Today tourism industry is seen as an important instrument of promoting globalization, and also a vehicle of resource efficiency, social inclusiveness and promoting cultural values and mutual understanding, peace and security. India, thus, is trying to position itself as a global brand by following its age-old principle - Guest is God ('Atithi Devo Bhava') [9].

India's status in global tourism and how it has progressed over the years in tourism sector can be gauged with the help of Tables 1 and 2 as given under:

TABLE I: Important Facts About Tourism In India, 2015

1.	No. of Foreign Tourist Arrivals in India, in Million	8.0
2.	No. of Indian National Departures for India, in Million	20.4
3.	Number of Domestic Tourist Visits to States & UTs, in Mill	1432
4.	Foreign Exchange Earrings for Tourism (INR), in Crore	1,35,193
5.	India's % age share in International Tourist Arrivals	0.68
6.	India's Share in International Tourist Receipts, in USD	1.7
7.	India's Rank in World Tourist Arrivals	40th
8.	India's Rank in World Tourist Receipts	14th
Source: Government of India, Indian Tourism Statistics at a Glance, 2015		

Table 1 makes it quite apparent that India holds a strategic position in the global tourism with its 14th rank in the world tourist receipts and 40th in tourist arrivals.

TABLE II: Tourism Growth in India

	2000	2005	2010	2015
1. Foreign Tourist Arrivals, in Million	2.6	3.9	5.8	8.0
2. Foreign Exchange Earnings, USD in Million	3460	7493	14193	21071
3. No. of Indian National Departures, in Million	4.4	7.2	13.0	20.4
4. Domestic Tourist Visits to States & UTs, Number in Mill	220	392	748	1432
5. Foreign Tourist Visits to States & UTs, Number in Mil	5.9	9.9	17.9	23.3
6. %age Share of India in International Tourist Arrivals	0.39	0.49	0.61	0.68
7. Rank of India in International Tourist Arrivals	50th	43rd	42nd	40th
8. % age Share of India in International Tourist Receipts	0.73	1.10	1.52	1.71
9. Rank of India in International Tourist Receipts	36th	22nd	17th	14th
Source: Government of India, Indian Tourism Statistics at a Glance, 2015				

Table 2 makes it apparent that India has done well in the tourism sector particularly during the period of globalization. This goes hand in hand with global tourism development.

TABLE III: Foreign / Domestic Tourist Arrivals: Source and Share

1.	Top 10 Source Countries for FTAs Arrivals (2015): United States; Bangladesh; UK; Shri Lanka; Canada; Malaysia; Australia; Germany; France; Japan.
2.	Share of Top 10 States & UTs of India in Number of Foreign Tourist Visits (2015): T. Nadu (20%); Maharashtra (19%); U. Pradesh (13%); Delhi (10%); W. Bengal (6%); Rajasthan (6 %); Kerala (4%); Bihar (4%); Karnataka (3%); Goa (2%).
3.	Share of Top 10 Indian States & UTs in Number of Domestic Tourist Visitors, 2015: Tamil Nadu (23%); Uttar Pradesh (14%); AP (8%); Karnataka (8%); Gujarat (2.5%); Rajasthan (2%).
Source: As in Table 1.	

Table 3 shows that the Foreign Tourist Arrivals come from United States, Bangladesh, UK, Sri Lanka. Foreign Tourists visiting India prefer states like Tamil Nadu, Maharashtra, UP, Delhi, West Bengal.

Tourism embedded to the 'Make in India' programme can further help the country to sustain a higher rate of growth which India achieved during the last few years. But this has to be well integrated with the 'Make in India' initiative.

3. Integrating Tourism To 'Make in India'programme

The most laudable objective behind 'Make in India' move is to transform India into a manufacturing hub with job creation. It promises a judicious mixing of economic policies and administrative reforms to attract both overseas and domestic investors.   It also combines a number of other initiatives including (i) Digital India (ii) Swachh Bharat Abhiyan; (iii) Pradhan Mantri Jan Dhan Yojana; and (iv) Sansad Adarsh Gram Yojna which have to be constantly monitoring to reduce the gap between the policy and its outcome [10].

This programme is quite comprehensive and requires enlarging the production base and achieving the cost-effective competitiveness through: (i) developing infrastructure for internal and external markets; (ii) ensuring the supply of key inputs at competitive prices; (iii) strengthening financial and technical networks; (iv) facilitating institutional frameworks required for markets, warehouses, regulators, information aggregators and disseminators; (v) creating provisions of safe, affordable and disciplined workplaces and improving the human capital and its quality further complemented by health and nutrition, appropriate skills, education and knowledge.

The Government proposed a development fund and technology acquisition for technologies required for creating appropriate skills particularly for urban poor and rural migrants, and creating a patent pool for the domestic equipment manufacturing used for reducing energy consumption and controlling pollution along with developing a multi-pronged strategy for the development of infrastructure linkages and revival of a few ailing public sector units (PSUs) [11]. In view of this, GoI sets out ambitious objectives in terms of growth, job creation, skill formation, competitiveness and so on [12].

However, the 'Make in India' policy and programmes can be made more effective in achieving the said goals, if India takes stock of its weakness which pose serious challenges and also the strengths which can help in building up the future policy action plans required to create inclusive sustainable Human Development [13]. Some of the following points deserve a quick review:

- The globalization induced economic reforms have not stimulated the manufacturing share in GDP beyond 16% and employment beyond 12 % for the last 40 years or so [14].

- India also compares poorly with Indonesia, Malaysia and Thailand in many of the human development indicators. The environmental degradation has assumed alarming proportions with 13 of the 20 most polluted cities of the world including the worst-ranked city Delhi are in India. Environment Performance Index (EPI, 2012) ranked India 125th out of the 132 countries. The human lives continue to suffer for reasons related to caste, region, language, gender and religion with shocking untouchability incidences [15].

- India continues to be one of the most scam-prone and corrupt countries of the world with its 85th rank and score of 38 out of 100 in 2014 calculated for 175 countries. Judicial system is slow and costly. The Parliament disorderly behaviour, snide remarks, stand-off leading to the disruption of legislative function and pendency of legislative bills cost to the nation dearly both in terms of legislation business and wastage of taxpayer's money [16].

- The youth anger is building up with the employment scene demoralizing and their education is not properly aligned with the industry of the knowledge economy nor is it creating skilled workforce.

In view of the above, tourism related policies can play a vital role in the overall structural transformation of India.   India's 'Safe and Honourable Tourism' policy adopted in July 2010 rests on 7 keys: welcome; information; facilitation, safety; cooperation; infrastructure; development and cleanliness. It has a built-into commitment to work in a manner so that ". . . . every tourist in India is physically invigorated, mentally

rejuvenated, culturally enriched and spiritually elevated. . . .". [17, p.1] It further ensures Indian tourism to adhere to international standards of safe tourism practices and protect the self-esteem, dignity and freedom from exploitation of each tourist and locals so involved.

In today's scenario, good business and safety standards and guidelines must go together while promoting tourism activities. Though not legally binding, the GoI has notified the Code of Conduct which shall be adhered by the staff, proprietors, service providers, tourist agents and guides, event managers, transport operators, guest houses, restaurants, hotels, entertainment units and so on. Equally important are the guidelines for (i) Staff meant for sharing Information & giving training; (ii) Guest information; (iii) Utilization of equipment and premises; (iv) Ethical norms for ethical professional practices; and (v) Implementation and Monitoring [18].

The basic premises of the guidelines related to the Code of Conduct are to: (i) respect the basic rights like dignity, safety, and exploitation-free-freedom of local residents as well as tourists; (ii) prevent the children and women from prostitution and sexual exploitations; and (iii) check activities, such as, drug use, intolerance, cooked information, which may induce crime. In spite of such a comprehensive and inclusive of all stakeholders, serious complaints are received. This is a pointer to the lack of rigorous enforcement at the grass root level.

On the brighter side, India has tried to become a simple place leaving behind its complicated and complex business turf with unnecessary rules, controls and procedures, paper works, along with becoming an integral part of the global supply chain by working and coordinating with regional blocks, which have assumed great importance promoting investments and trade. Yet, it has to travel a long way.

FDI flows, no doubt, have increased, but their level is still low as compared to a number of countries including China. India's youth offers a huge amount of energy reflected in innovations and start-up enterprises. India has become the third biggest country for the start-ups. It is also coming up as an exciting place for research and development (R & D). India's international ranking in innovation capacity is 48th and in company spending on R & d is 30th, in domestic market size is 3rd and in foreign market size id 4th – all can be best used to counter the muted external demand [19].

4. Tourism to Be Effective in 'Make in India': Serious Task

Tourism development will go a long way in reversing the over dominance of the services sector with 60 percent share in GDP. In a population of 1.3 billion, bypassing manufacturing is going to be huge perils of premature de-industrialization or non-industrialization. And this will bring serious challenges with no jobs for the young people. India must seize the opportunity with, China adding 12 percent wage increase every year. Thus, building up a formidable manufacturing base in the next few years, will continue to be the most critical challenge failing which India will suffer heavily. Tourism can play a critical role by creating jobs and through its multiplier effect as listed in 'Make in India' activities. But it requires the GoI to seriously analyse the policy frameworks to take steps as under:

- Liberalized visa regime.   About 97.2 percent of the traffic in India comes via airways. It does not have regional tourism. People have to plan out in advance - a trend noticed in all South Asian countries. Visa is critical for India being long-haul destination. Thus creating e-TV facility to 140-150 countries will be a critical barrier [20].

- The policy efforts with vigour and dynamism to open Skies as a supplement to Visa policy liberalization are required. In the case of infrastructure, constant funding has not been able to create outstanding destinations or circuits. This necessitates infrastructure proposal pruning so as to concentrate on 6/7 outstanding circuits, 5 outstanding destinations and to take those further to the global level [21].

- India has to develop cost effective competitive approach with a focus on digital platforms - away from establishing tourism offices with the baggage of whole army of officers in so many overseas offices. The entire marketing exercise be driven from inside the country.

- The Government has to improve its work culture at grass root levels and work places. It must reverse the existing structure of workforce (78 percent) and managers (22 percent) by seeking the help from education

institutions of this industry and concentrate on a few world class destinations, a few circuits and marketing development through the digital medium. The product development and experience analysis of customers be left with the private sector. In fact, the Government needs to work out strategies to encourage travellers of tomorrow, who actually will transform the tourism equations in the future. In front of about 90 percent of Europeans and Americans travelling abroad, the 5 per cent figure for the Chinese, the Koreans and the Indians is a joke.

Thus, India has to seriously overhaul its governance institutions and sets of rules meant for institutions and individuals. It needs to enforce code of conduct and ethics at all levels. They can take the shape of formal laws, contracts or regulations or informal social norms and values [22]. These have assumed importance because the effective delivery by an organization actually depends on those internal rules, motivation and code on the one hand and rule based processes on the other. Since Institutional reforms are introduced by individuals with the intention of bringing a behaviour change to be reflected in organization, individuals remain the main drivers all through.

Tourism is a globalized business activity and industry; and its challenges are also equally daunting in terms of fairness and ethics in the background of sustainable tourism. A host of voluntary initiatives across the world were visible in 1990s in the form of code of conduct, environmental plans, international declarations; business schemes [23]. Following this, India adopted Code of Conduct for Safe and Honourable Tourists explicitly in July 2010. With emphasis on tourism development given its virtues, the negative impacts seen in terms of effect of culture on place, morality, environment etc. raise ethical dilemmas for all stake holders. In such a situation responsible and inclusion sustainable tourism development with a focus on CCE in decision-making appears to be the only solution.

5. Conclusions

India has diverse attractions including 23 cultural and 5 natural sites on World Heritage list and 25 bio-geographic zones and long coastline. Placed in the perspective of robust demand, attractive opportunities and tourism products, policy support, India can hope its tourism sector to bring a sea change by raising the growth, employment once it is integrated to 'Make in India' programme. But the government has to undertake revolutionary changes in policy-making to promote niche areas and become the chief instrument of change in tourism. A destination or a product generally evolves and promotes innovative thinking. In that context, Incredible India has to be driven to another level and dimension. Tourism branding and marketing should coordinate with the private sector, which generally refrains from pumping investment in marketing and promotion. They need to change with times to supplement government efforts to be made in branding public relations, marketing and promotion. This is not possible without initiating creativity and innovative ideas by the Ministry of Tourism. Thus, the government has to search for ethical, dedicated and creative minds while enforcing Code of Conduct and Ethics and its evaluative frameworks.

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