

Entrepreneurship Unorganised Sector Tourism Policy of Karnataka - An Evaluative Study

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Abstract

The tourism business is one of the largest, fastest growing sectors of the economy of India. Tourism is the largest service industry in the Country. As per the latest available records, the industry contributes 9.24% to the GDP of the country. Similarly, tourism provides employment opportunities to millions of people. It is estimated that tourism provides 8.78% of the total employment of the Nation. Tourism promotes national integration. The industry helps to generate foreign exchange earnings to a significant extent. The tourism industry aids to ensure balanced regional development. Considering the significance of tourism, the government of Kerala provides various incentives and subsidies to entrepreneurs to attract investment in the Sector. The government concentrates only on the organized sector of tourism industry in the State. One of the salient features of Tourism industry is that tourism enterprises are large in number and scattered. Many of them operate still in the unorganized sector. The tourism sector has been identified as one of the key sectors propelling the country's economic growth. Karnataka has been ranked as the 4th preferred destination among domestic tourists and 3rd preferred destination for investments in the tourism sector. It is critical to focus on increasing domestic and international visitation through a collaborative approach between Government and Industry and enhancing the capacity of the sector to stimulate regional development and prosperity of the community. Karnataka, one of the most progressive and well developed industrial states in the country, is focused on development of trade and service sectors, through various initiatives and policies. It is home to several forts, architectural marvels and is blessed with a rich cultural heritage of over 1500 years. Other diverse visitor attractions include pilgrim sites, coastal landscape, wildlife / national parks, Eco Tourism, Wellness Tourism – Alternate Lifestyle/ Yoga, Voluntary Tourism and Adventure Tourism. Over the years, Karnataka has also emerged as a strong contender in the global market for Business Tourism. The State has been ranked as the 4th preferred destination among domestic tourists and is the 3rd preferred destination for attracting investments in the tourism sector. The “Karnataka Tourism Policy 2014-2016” focuses on accelerating and facilitating private investments in the tourism sector, and strives to be an outcome based initiative. The policy follows a non discriminatory approach to incentivise and promote the local community as well as private sector for contributing towards the development of tourism sector. This policy strives towards creating an enabling environment for tourism in Karnataka by addressing and providing guiding framework pertaining to governance structures, tourist infrastructure, manpower requirements, service standards and, safety and security of tourists.

Keywords: Tourism potential, Tourism resources and activities, CBSTD, Strategy

Introduction

To achieve the vision and set the direction for the tourism industry over the next five years, the following objectives are outlined (Karnataka tourism policy report 2014-19(2014), Department of Tourism Government of Karnataka). Tourism is an economic activity of immense global significance. The tremendous growth in tourism in recent times at the global level is due to various factors such as the impacts of globalization, emergence of the global village and preference for overseas jobs in general. According to world Tourism organization (WTO), “tourism enriches individuals, families, communities and the entire world”. Tourism enhances the quality of life, preserves the national heritage & encourages the appreciation of diverse cultures both by domestic & foreign tourists. Tourism is one of the leading job creators and plays a vital role in the balance of payments of many countries. As a service industry, tourism has a flexible character having capability of accommodating people – skilled, semi - skilled and unskilled

Objective:

The objective of the study is; i) to explore the tourism potential Entrepreneurship among Unorganised sector in Karnataka ii) to identify suitable strategies to promote Entrepreneurship in masses.

Another significant campaign launched by the Ministry of Tourism in 2009 was ‘Atithi Devo Bhava’ targeting the local population to educate them regarding good behaviour and etiquettes while dealing with foreign tourists. ‘Atithi Devo Bhava’ aimed at creating awareness about the effects of tourism and sensitizing the local population about preservation of India's heritage, culture, cleanliness and hospitality. It also attempted to re-instill a sense of responsibility towards tourists and reinforce the confidence of foreign tourists towards India as a preferred holiday destination. The concept was designed to complement the ‘Incredible India’ Campaign

The National Tourism Policy (2015)

Subsequent to the national tourism policy 2002, several initiatives were made to promote tourism with a concentration on holistic approach. Due to these efforts the tourist arrivals of both foreign and domestic type increased considerably. Foreign tourist arrivals grew at a rate of 10.6% in 2014 and foreign exchange earnings increased by 11.5%. With the experience gained after introduction of new campaigns a new National Tourism Policy (2015) was announced. The new policy seeks to take advantage of new developments after the introduction of liberalization policies (Government of India Ministry of tourism, 2015). The objectives are a. Increase India’s share in world tourist arrivals from the present 0.68% to 1% by 2016 and increase to 2% by 2025. b. Position Tourism as a priority on the National political and economic agenda. c. Widen understanding of the benefits of the tourism sector within the wider governmental framework, especially with Government departments critical to Tourism success. d. Evolve a framework for tourism development, which is Government-led, private sector driven and community welfare oriented. e. Foster and develop a coordination mechanism between the Centre and the States / UTs and between various Ministries / Departments and create a framework for engaging with local bodies, to drive the National Tourism Agenda. f. Focus on the benefits of tourism for local communities and the natural and cultural environments. g. Directly address seasonality, creating

year-round offerings for continuous tourism economic activity. h. Create a safe, secure, clean, hygienic and inviting environment for tourists. 64 i. Innovation into integrated tourist circuits and destinations based on India's unique civilization, heritage, and culture in partnership with States / UTs, private sector and other agencies, thus spreading the reach and impacts of tourism beyond gateway cities, further across the nation and deeper into communities. j. Position India as a global brand and preferred tourism destination in overseas markets. k. Focus on domestic tourism as a major driver of tourism growth. l. Focus on development and promotion of the North East Region and the state of Jammu & Kashmir. m. Develop quality human resources in the tourism and hospitality sectors across the spectrum of vocational to professional skills development and opportunity creation. n. Create an enabling environment for investment in tourism and tourism-related infrastructure.

Karnataka Tourism policy (2002-2007)

It is the first comprehensive tourism policy introduced by the Government of Karnataka to provide a boost to the tourism sector. The vision statement of the policy states "to be among the pre-eminent tourist destinations in Asia, with market leadership and dominance in the following segments: Upscale tourism (both national and international), heritage tourism, ecotourism, conventions and conferences, exhibitions, Cruises - Theme Parks and to be on par with the best in the world; to excel in every facet of the tourism industry; to emerge as a benchmark for other destinations" (Karnataka Tourism Policy, 2003). According to the policy document the priorities for the State Government Departments and concessions and incentives to the private sector with a view to 66 enhance tourism potential and attract more private investment into the tourism sector in the state are

- Formation of a State Tourism Council headed by the Chief Minister, with all stakeholders represented in it, to take decisions on policy and strategy.
- Formation of a State Level Co-ordination Committee under the Chairmanship of the Chief Secretary with Secretaries of tourism-related departments as members, for effective implementation of the Tourism Policy.
- Reactivation of District Tourism Councils headed by the Deputy Commissioner with General Manager, District Industries Centre and the Assistant Director of tourism assisting the council.
- Preparations of comprehensive development plans for the development of major tourist spots in a phased manner by the Department of Tourism and also assign activities which have to be taken up by the Government as well as by the private sector.
- In the first phase, the Department of Tourism shall prepare a comprehensive development plan for the following key destinations: Nandi Hills, Brindavan Gardens, Kemmannagundi, Jog Falls, Badami, Aihole, Pattadakal, Belur, Halebid, Shravanabelagola, Bijapur, Hampi, Gokarna, Karwar, Mysuru, Hesaraghatta, Agumbe and Nehruloka.
- The Department of Tourism shall prepare and implement a comprehensive infrastructural plan for providing connectivity and common facilities at major tourist destinations in the State with an initial out lay of Rs. 125 crores.
- The funds for this plan are to be availed from financial institutions after getting the projects prepared and vetted by professionals and agencies. The major components of this infrastructural plan are air connectivity, road, public and civic amenities, preparation of comprehensive plan and acquisition of land. The special characteristics of tourism sector make it particularly beneficial in terms of general economic development. Tourism like any other economic activity flourishes well when proper planning is done. Tourism planning should be included in the general economic and social planning. This

coordinated approach will have a direct bearing on the success of the tourism industry. A proper planning of the physical, legal, financial, promotional, social and environmental aspects can help tourism development on a sustainable basis. Planning could be undertaken either at the national or at the regional level. The policy made provisions for the encouragement of private sector participation in all tourism-related activities in the state. The following incentives and concessions are offered in the policy period.

Luxury tax to be charged only on room tariff above Rs. 400 and to be charged only on actual tariff collected. A cap of 10% to be placed on it. b. Additional state excise duty of 66% on imported liquor to be reduced to 25% or levied on basic rate. c. Motor vehicle tax levied on tourist vehicles plying between States to be rationalized on a reciprocal basis. d. 50%/100% stamp duty exemption for investments below/above Rs. 50 crores. e. Concessional registration charges of Rs.1 per Rs. 1,000. f. Waiver of Conversion Fee. Entry tax exemption during implementation of project for a period of three years. g. Entertainment tax exemption of 100% for first three years and 75% for next two years for I-Max theatres only. h. Tax on aviation turbine fuel is reduced to 4% and underwriting 50% of tickets of private airlines for an initial period of three years. Based on the earlier Tourism policy documents and the vision 2016 document, Karnataka Tourism Master Plan 2010-20 was prepared. Subsequently, 31 detailed district-wise reports about the state potential and action plan for Tourism across Karnataka's districts was made. This exercise was completed in early 2012. Apart from these two, there are reports suggesting specific initiatives – some examples of these were the 'Site Management Plan for Sustainable Conservation and Development of Hoysala Heritage Region, Mysuru tourism promotion plan which also includes inner city development with a focus on tourist infrastructure.

1. Over 4 million new jobs can be created over the next decade with an emphasis on sustainable tourism development.
2. Generic guiding principles should be followed to achieve the overall Tourism vision.
3. We could go beyond our current World Heritage sites in Karnataka.
4. Brand Mysuru's charm through a Royal City association and leverage the extended regional attraction for wild life and eco-tourism.
5. Culture, Festivals and Heritage tourism has historical roots in Karnataka. They can be run more professionally with advice from knowledgeable resource persons.
6. Coastal tourism potential in Karnataka is currently under leveraged.
7. Considerable potential for Adventure, Medical and Spiritual tourism in the State.
8. Urban tourism around Bangalore to tap into its large visitor base and local population is necessary.

Conclusion

The Vision group of over 50 individuals met jointly in over 7 sessions during Oct-Dec 2013. The sector heads submitted their suggestions, which are part of this vision group report. The KTVG focused on a few key areas with an emphasis on what needs to be done and the 'vehicle' to get there – Guiding principles that would act as a compass for any current or future decision regarding the Tourism sector; Governance and Implementation framework; Critical

requirements at tourist locations, particularly the major attractions and criteria to determine relative importance of a location / event; Tourist circuits (Heritage, Coastal, Nature / Wild life, Adventure, Culture, Urban, Wellness, Spiritual) and Common themes that cut across the categories (Human resources, Brand, Finance, Policy, Infrastructure, Connectivity, Technology, Communication, etc.). Government of Karnataka has also suggested setting up of vision Implementation Group to implement the recommendations of the Karnataka Tourism Vision Group. It is expected to work closely with Tourism Promotional and Infrastructure Corporation and tourism stakeholders. In continuation of with an inside-out view and a congenial environment for private investors the present Karnataka tourism policy reshapes the same by incorporating an outside-in view to cover larger markets and higher share of the tourist's wallet. This calls for understanding the expectations of the tourists. Accordingly the emerging trends of MICE (Meeting Incentives 68 Conferences and Exhibitions), health tourism, wellness tourism, cruise tourism, adventure tourism, Heli-tourism, Wilderness tourism, etc., were identified.

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