

# Promotion of Tourism for Job Creation - Unexplored Tourism Opportunity

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## Abstract

This paper attempts to study how Travel and **tourism offers employment** in far-flung places, as the growing **tourism** trends for discovering **unexplored** destinations. Tourism is a major engine for job creation and a driving force for economic growth and development, as highlighted by recent figures. India's economy is growing fast, but it has the world's largest young workforce, with **an over supply of semi and low-skilled labour**. Being very much a service-focussed sector, Travel & Tourism requires large numbers of exactly these kinds of employees — both men and women. So **it's uniquely positioned to power job growth for India**, providing secure livelihoods for vast numbers of people, in places where other types of employment are often not present. According to the World Travel and Tourism Council data, in 2015 tourism directly created over 107 million jobs (3.6 per cent of total employment representing 3 per cent of total GDP) and supported (directly and indirectly) a total of 284 million jobs, equivalent to one in 11 jobs in the world. By 2026, these figures are expected to increase to 136 and 370 million jobs respectively representing one in nine of all jobs worldwide. Within G20 countries, China, India, Indonesia, Mexico and South Africa are expected to be among the fastest growing tourism and travel destinations. Among the non-G20 economies Kyrgyzstan, Myanmar, Tanzania, Vietnam and Zambia are expected to show the strongest growth.

These statistics highlighting the significant contribution of tourism to employment and GDP speak for themselves. Furthermore, it is essential to make sure that the growth and development of this sector is sustainable, socially responsible and creates decent work opportunities. Ministry of Tourism has introduced the Incredible India Tourist Facilitator (IITF) and Incredible India Tourist Guide (IITG) Certification Programme, aimed at creating an online learning platform of well-trained tourist facilitators and guides across the country. The IITF concept is aimed to promote micro-tourism, i.e., tourism in less explored areas of the country. The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various central ministries/agencies, state governments, union territories and private sector representatives. Concerted efforts are being made to promote niche tourism products such as rural, cruise, medical and eco-tourism. The Ministry of Tourism maintains the Incredible India campaign focused on promoting tourism in India.

*Key words: employment creation, sustainable development, economic growth, tourism*

## **Introduction**

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. In his Independence speech from Red Fort, Prime Minister Mr. Narendra Modi urged people to visit 15 domestic tourist destinations in India by 2022 to promote tourism. India ranked 34 in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.

In WTTC's Economic Impact 2019 report, India's Travel & Tourism GDP contribution grew by 4.9%, which was the third highest after China and Philippines. Additionally, the report also highlights that between 2014-2019, India witnessed the strongest growth in the number of jobs created (6.36 million), followed by China (5.47 million) and the Philippines (2.53 million).

The Ministry of Tourism has created a policy for development and promotion of caravan and caravan camping parks. On January 25, 2019, Union Tourism and Culture Minister Mr. Prahlad Singh Patel announced plan to develop an international-level infrastructure in Kargil (Ladakh) to promote adventure tourism and winter sports. The Ministry of Road Transport and Highways has introduced a new scheme called 'All India Tourist Vehicles Authorisation and Permit Rules, 2019', in which a tourist vehicle operator can register online for All India Tourist Authorisation/Permit. This permit will be issued within 30 days of submitting the application.

The tourism & hospitality sector's direct contribution to GDP is expected to reach Rs. 12.68 trillion (US\$ 194.69 billion) in 2028. The Federation of Associations in Indian Tourism and Hospitality (FAITH) Chairman Mr. Nakul Anand, recently spoke at a conference on the India Tourism Vision Day stating that Indian tourism is estimated to contribute 9-10% to India's GDP on a direct and indirect basis.

In FY20, 39 million jobs were created in the tourism sector in India; this accounted for 8.0% of the total employment in the country. International Tourists arrival is expected to reach 30.5 billion by 2028. e-Visa facility was offered to 171 countries as of March 2019.

During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.20% y-o-y. During 2019, FEEs from tourism increased 4.8% y-o-y to Rs. 1,94,881 crore (US\$ 29.96 billion). In 2019, arrivals through e-Tourist Visa increased by 23.6% y-o-y to 2.9 million. In 2019, FTAs decreased by 75.5% YoY to 2.68 million and arrivals through e-Tourist Visa (Jan-Nov) decreased by 67.2% YoY to 0.84 million. Under the Swadesh Darshan scheme, 77 projects have been sanctioned of worth Rs. 6,035.70 crore (US\$ 863.60 million). In Union Budget 2019-21, the Government has allotted Rs. 1,200 crore (US\$ 171.70 million) for the development of tourist circuits under Swadesh Darshan for Northeast.

The Ministry of Tourism launched the NIDHI portal to understand the geographical spread of the hospitality sector, its size, structure and existing capacity in the country. NIDHI will serve as a common data repository for the Ministry of Tourism, State Departments of Tourism and Industry; this will enable the Central and State Governments to deliver better support and services including policies and strategies for the tourism sector. As of December 31, 2019, 34,399 accommodation units have been registered on the portal.

The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Devo Bhava' has provided a focused impetus to growth. The Indian Government has also released a fresh category of visa - the medical visa or M-visa, to encourage medical tourism in the country. The Government is working to achieve 1% share in world's international tourist arrivals by 2019 and 2% share by 2025. Amid the relaxation provided by the government after the COVID lockdown, the Indian Association of Tour Operators (IATO) has urged the government to finalise a roadmap for resumption of international flights and facilitate e-visas and tourist visas. The Indian Railway Catering and Tourism Corporation (IRCTC) runs a series of Bharat Darshan tourist trains aimed at taking people to various pilgrimages across the country. Subsequently in November end, India introduced a graded relaxation of its visa and travel restrictions for more categories of foreign nationals and Indian nationals.

Post the pandemic crisis, the government plans to tap into regional tourism by opening doors for South Asian country tourists. The Government is also making serious efforts to boost investment in the tourism sector. In the hotel and tourism sector, 100% FDI (Foreign Direct Investment) is allowed through the automatic route. A five-year tax holiday has been offered for 2-, 3- and 4-star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai).

Government is planning to boost the tourism in India by leveraging on the lighthouses in the country. 71 lighthouses have been identified in India which will be developed as tourist spots. The lighthouses will feature museums, amphi-theatres, open air theatres, cafeterias, children's parks, eco-friendly cottages and landscaping according to its capacity. The Government of India also announced to develop 17 iconic tourist sites in India into world-class destinations as per Union Budget 2019-20. Ministry of Tourism launched DekhoApnaDesh webinar in April 2019 to provide information on the many destinations and the sheer depth and expanse of the culture and heritage of Incredible India. Until May 25, 2019, 86 webinars have been conducted under the series.

### **Objective:**

This paper intends to explore and analyze travel and tourism is a high-growth industry that has the potential to create **millions of jobs and boost employment prospects**. This means that the travel and tourism industry will contribute to 25% of the global job creation while India alone will add around 10 million jobs in the travel and tourism sector by 2028

## Contributing to poverty reduction : Job creation

Tourism is a major contributor to employment creation particularly for women, youth, migrant workers, rural communities and indigenous peoples and has numerous linkages with other sectors. As a consequence, tourism can lead to the reduction of poverty and to the promotion of socio-economic development and decent work. However, if tourism does not respect local cultures and is uncontrolled, unsustainable or not socially accountable, it can also have a negative impact on local communities, their heritage and environment, exacerbating inequalities.

For India to add the 10 million new jobs in line with WTTC forecasts, a number of factors need to be considered.

Here are five key issues:

### 1. Increasing the number of hotel rooms

There's a **serious scarcity of hotel beds in India**. This is a particular problem in the mid-price and budget sectors. Growth rate in demand for hotel rooms is around 6% whilst supply is only growing by 3%. With hospitality providing such a large component of jobs in the Travel & Tourism sector, **encouraging investment in hotel development offers huge opportunity**. Tax rates are currently a hot topic as well. A recent change in Government Service Taxes means that tax on hotel rooms is significantly higher than elsewhere: it's up to 28% for luxury hotels compared with only 7% in Thailand and 6% in China.

### 2. Providing training and development

As the tourism sector grows it will need more people with higher level skillsets too. If they're not available in India, senior staff will be brought in from overseas. Upskilling the local workforce and **providing training for young people in particular will help drive indigenous job growth**. The Ministry of Tourism is making good progress here. It has a target of training 5 million people by 2022. There are now 36 Institutes of Hotel Management across the country but demand continues to outstrip supply. For India to meet its skill development targets, it needs to increase the number of these programmes and make access easier. Stronger **public-private collaboration that creates high quality on-the-job training and apprenticeship models will be important** for driving up skill levels quickly too.

### 3. Improving digital infrastructure

Improving internet access, stability and connection speeds will help power growth in jobs in the sector on many levels. **Increasing numbers of transactions for Travel & Tourism are taking place online** and ensuring that networks are robust and fast enough to handle them is critical. But there's wider opportunity here too. India is already known for the quality of its tech industry. There's opportunity for more **local tech companies to come into the market with innovative products** — particularly aimed at domestic tourists.



We're seeing this already with homegrown peer-to-peer accommodation sites helping fill the budget accommodation gap, ride share apps and more.

#### 4. Improving domestic transport links

For many countries, domestic tourism is significant, often accounting for over 70% of Travel & Tourism's contribution to GDP. For **India it's exceptional, delivering nearly 90%**. Expansion of the Travel & Tourism sector and the jobs that come with it, is being powered primarily by domestic tourism. Making it easier for India's burgeoning middle class (some 250 million people) to travel more within India, will promote further growth quickly. Thanks to a drastic reduction in outdated legislation, **domestic air travel grew nearly 20% in 2017**. No less than five new regional budget airlines servicing over 100 routes started up. This has encouraged thousands of families to explore flying for the first time. It has also started to open up more far-flung parts of the country to international tourists. The next, more challenging task is **upgrading India's busy rail system and rather chaotic road network**. This will take longer and require very significant investment.

#### 5. Wider promotion to overseas tourists

Perhaps the biggest opportunity for India though is inbound tourism. Due to better promotion — in particularly the Incredible India marketing campaign — **overseas arrivals have been growing fast and a jump in employment has followed**. But the numbers are a fraction of the potential. Whilst India welcomed around 9 million visitors last year, Thailand had over 30 million. India has a vast amount to offer with unspoilt coastline, verdant rainforests, myriad temples and a rich cultural heritage. A new Incredible India 2.0 campaign launched in late 2017, but **further work and investment in promoting India and developing 'Brand India' will be essential**, for the uplift in international tourist numbers and associated jobs growth. Many of India's neighbours are spending large sums on sophisticated promotional work. It's a competitive market.

#### Four key steps

The ILO supports the promotion of more sustainable and socially responsible tourism and decent work in the sector by:

Strengthening the sector's linkages with related sectors in its supply chain (e.g. agriculture, handicrafts, transports, infrastructure, construction,) while supporting and promoting an integrated approach and local sourcing.

Reinforcing initiatives to promote employment creation at local level, including in rural areas, contributing to social and economic development and poverty reduction through social inclusion, regional integration and expansion of local incomes.

Investing into skills development and vocational education and training, and improving working conditions to enhance the sector's image and service quality, bearing in mind that the skills level, professionalism, commitment, loyalty and soft skills of workers are key for competitiveness.

Strengthening social dialogue mechanisms and collective bargaining. These can enhance working conditions, career prospects and job security to the benefit of the workers, and make it easier for companies to better respond to the needs and demands of the labour market.

The potential of the tourism industry to contribute to economic and social development has been recognized in a number of Sustainable Development Goals . Goal 8 (Promote inclusive and sustainable economic growth, employment and decent work for all) includes a target (8.9) on tourism: “By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.” Goal 12 (Ensure sustainable consumption and production patterns) and Goal 14 (Conserve and sustainably use the oceans, seas and marine resources) also include targets relating to tourism.

Following the significant growth of the tourism sector in terms of employment creation and contribution to GDP during the last decades, the G20 Tourism Ministers' Meeting emerged in 2010 with the aim to create an opportunity for G20 tourism ministers to place tourism on the global agenda and discuss opportunities and challenges of the sector. The Chinese G20 Presidency will host the 7th T20 Ministers' Meeting on 20 May under the theme “Sustainable Tourism – An Effective Tool for Inclusive Development”. China will also be hosting the First World Conference on Tourism for Development which will take place in Beijing, on 19 May under the theme “Tourism for Peace and Development”. Both meetings will provide an opportunity to facilitate the promotion of sustainable tourism as a driver for decent work, economic growth and sustainable development.

### **Jobs in Hotels, Catering and Tourism (HCT) Sector**

The ILO is committed to the promotion of employment and decent work for all in the tourism sector. With its unique tripartite structure the ILO promotes the four pillars of the Decent Work Agenda in the tourism sector, namely by promoting rights at work, encouraging opportunities for decent employment, enhancing social protection and strengthening social dialogue. Work carried out by the ILO in the HCT sector includes:

promoting ratification and effective implementation of the ILO Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172) together with its Recommendation (No. 179) ;

building consensus among HCT constituents to reach policy and action-oriented recommendations in relation to emerging topics;

developing tools and sharing knowledge on emerging trends and challenges at industry level such as through the ILO Toolkit on Poverty Reduction through Tourism , explaining how tourism can contribute to sustainable local and rural development and regional integration, how to promote a tourist destination and how to set up a tourism business.

strengthening the capacity of governments, employers' and workers' organizations, for advancing the Decent Work Agenda at the country level through the provision of technical assistance and training and the ILO Guide on Social Dialogue in Tourism ; and

enhancing policy coherence at global level for the promotion of decent work at HCT level, through partnerships with other United Nations agencies and multilateral organizations.

In February 2017 the ILO will hold a tripartite Meeting of Experts to adopt Guidelines on Decent Work and Socially Responsible Tourism. The guidelines will respond to the needs and demands of the sector and serve as a coherent and global tool for all stakeholders in the tourism sector.

## Conclusion

India has created over 13.92 million jobs in the tourism sector, with over 10 million in education and health sectors. As per the data shared by the Minister of State for Tourism, the tourism sector contributed an estimated 5.06 per cent to the Gross Domestic Product (GDP) of the country during 2016-17. The employment in this sector is increasing gradually with India becoming the global destination for medical and education tourism.

Meanwhile, the hospitality and trade sectors witnessed a lack in skilled people which may increase over 8 lakh by 2019. As per the study conducted by Ministry of Tourism, "The gap will be 7.55 lakh at the non-managerial level and 1.09 lakh in the managerial cadre by 2019-21 in the tourism and hospitality sector."The tourism sector also requires people with a good digital skills. "The digital world offers massive job opportunities to candidates who are skilled in digital marketing, social media, SEO, etc, as several international brands plan to target Indian consumers and successfully establish themselves in the region.

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