Karnataka Tourism Policy 2014-2019 - 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.

This paper focuses to explore the regionalized potential related to Entrepreneurship among Unorganised sector in Karnataka. Tourism as a service industry is one of the largest businesses in the world which creates job opportunities directly or indirectly to skilled and unskilled. In tourism, people travel towards any destination which incorporates the economic support and socio-cultural improvement towards the destinations of visit. Tourism has got abundant resources to supply for the tourist demand in the form of natural and man-made attractions. But inspite of its richness the flow of tourist can be cut down due to various impacts of tourism. This impact can be studied based on two aspects namely regionalized and globalized. Community plays a major role to develop the regionalized of the destination and to design sustainable tourism products. Tourists’ satisfaction can be well identified by the host community with their direct interaction while providing the tourism resources and activities as the product service. Community participation to design, develop and manage the strategy in the production of sustainable tourism products will increase their responsibilities towards tourism growth.

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

The Policy lays emphasis on creating a “quality experiences, appealing to different visitor segments”, by promoting development of various tourism products which will encourage repeat visits and increased length of stay and spends by tourists. The Policy encourages shift in attitudes - from regulation and control to empowerment, from patronage to partnership, and from linear government-lead structures to alliances with diverse stakeholders in the sector. The tourism policy 2014-19 is to develop Karnataka as a dynamic, sustainable and most-favoured tourism destination by increasing domestic and international visitations, offering high quality experience to visitors, facilitating and accelerating investments and improving livelihood opportunities at the local level. It was estimated that the fresh employment possibilities at 4.3 million (based on global norms of 10% employment in the sector), additional revenue potential of Rs. 83,000 crores (through direct and indirect taxes) and the investments of Rs. 73,000 crores with 50% government funding (infrastructure, destination and mobility) is needed for providing a fillip to Tourism in the State by 2024. 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

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.
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.

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. 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 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, Pattadaikal, 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 outlay 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.

**Incentives for the Participation of Private Sector and Unorganised sector in Karnataka**

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.
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.

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.

India Tourism Development Corporation Ltd (ITDC)

Till 1963 the tourism development and promotion in India was in the hands of various departments like civil aviation, transport etc. In 1965 the Government of India has set up three public sector tourism corporations namely, a. Hotel Corporation of India Ltd. b. India Tourism Corporation Ltd. c. Indian Tourism and transport Undertaking Ltd. In 1966, the government decided to merge all three organizations into one composite corporation with the objective of bringing coordination among the working of all these three institutions. In October 1966, the Government established India Tourism Development Corporation (ITDC). The objectives of the ITDC were 1. To develop Tourism infrastructure all over the country. 2. The construction, management of marketing of tourism facilities. 3. Creation of shopping, convention and conference facilities. 4. Providing consultancy service and training human resource for tourism projects. 5. Establishment and transport management of tourist facilities. 6. Promote tourism traffic in the country through various promotional activities like conducting fairs, festivals, and cultural fests. 7. Undertake aggressive publicity programme abroad. After the economy was opened in 1991, the policy of government has envisaged a lot of changes. A process of disinvestment and sale of hotels has started and as a result ITDC has reduced its scale of operations though it is still in the field. Diversifying the principal source market for both foreign and domestic tourists, addressing shortage of tourist cost-effective accommodation, address road connectivity, development of tourist...
destinations and circuits, promote new products and improve existing products, streamlining procedures, promotion and publicity and others. The aim of the new Tourism Policy is to highlight Karnataka as a preferred destination in India by 2016. Department of Tourism, Government of Karnataka informed that the new Tourism Policy is investor friendly and has addressed all issues concerning land acquisition including government clearance. It has divided Karnataka into four zones and will provide special incentives to develop heritage circuits, Adventure and Pilgrimage tourism in respective region of each zone. In the new Tourism Policy, Karnataka Tourism has also laid emphasis on promotion of Heli Tourism, Health and Wellness Tourism, Cruise Tourism. It has already invited Expressions) from private parties to develop these tourism segments in the state.

**Entrepreneurship Unorganised sector tourism policy of Karnataka**

Based on the recommendations of the national committee on tourism an action plan was prepared. However, only in 2002, the action plan was finally translated into a tourism policy and it officially became a joint central-state government concern. The policy document attempted to establish tourism as a great contributor to national development and its role as an engine of growth. It suggested that tourism not only generates government revenue, foreign currency, but also provides an optimal use of India’s scarce resources, sustainable development, high quality employment especially to youngsters, and finally peace and understanding towards national unity. The policy aimed at increasing the number of domestic and international tourists. In order to do this, the government proposed to diversify the Indian tourism products and substantially improve the quality of tourism infrastructure, marketing, visa arrangements and air connectivity.

Government of India launched an international marketing campaign named as Incredible India to promote tourism in India to global audience in 2002. The Incredible India campaign projected India as an attractive tourist destination by showcasing different aspects of Indian culture and history like yoga, spirituality, etc. The campaign was conducted globally and received appreciation from tourism industry observers and travelers. However, the campaign was substantially criticized from some quarters. Some experts criticized it on its failure to cover several aspects of India which could have been attractive to the average tourist. The policy document seeks to enhance employment potential within the tourism sector. It also contemplated to foster economic integration through developing linkages with other sectors of the economy. The policy proposes to a. Positioning tourism as a major engine of economic growth. b. Harness the direct and the multiplier effects of tourism for employment generation, economic development and stimulating rural tourism. c. Focus domestic tourism as a major drive of tourism growth. 62 d. Position India as a global brand to take advantage of the booming global brand and global travel trade and the vast untapped potential of India as a destination. e. Acknowledge the critical role played by private sector with government working as a facilitator and catalyst. f. Increase of train facilities in tourism destinations. g. Create and develop integrated tourism circuits based on India’s unique civilization, heritage and culture in partnership with states, private sector and other agencies. h. Ensure that the tourists to India get physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and “feel India from within”.

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The policy document takes into consideration seven key areas that provide the thrust to tourism development. These are 1. Swagat (Welcome) 2. Soochana (Information) 3. Suvidha (facilitation) 4. Suraksha (Safety) 5. Sahyog (Cooperation) 6. Samrachana (Infrastructure development) 7. Safai (Cleanliness) The tourism industry, unlike many other industries, consists of several service providers. These service providers are in private sector. Public Sector institutions like department of tourism either at the centre or at the state are involved in the planning and development of tourism process. The participation of different private and public sector agencies makes tourism industry a complex phenomenon. It requires a strong cooperation between these two sectors to develop the tourism and achieve the overall objectives. The new Tourism Policy, Karnataka Tourism will target the right consumers from the right market at the right time. In order to further promote tourism in Karnataka, the state tourism department will target high-end tourists. Apart from traditional international markets like UK and France, it has planned to target new markets like Japan, Spain, Scandinavian countries, South American countries like Brazil and Argentina within the next three years. In the domestic market, the state tourism department will target major source markets like Mumbai, Ahmedabad, Pune, Kolkata, Chennai and other metro cities. Karnataka Tourism plans to host certain important events in Bangalore. The state tourism department is also planning to promote Wine Tourism for which it has identified few potential wine producers in Karnataka to develop this segment. With the need to develop manpower in the industry, the state tourism department is also planning to train about 3,000 people through Institute of Hotel Management (IHM) to increase efficiency and offer quality services to tourists. State tourism department has introduced „Green Police” at 30 selected destinations in the state. Green police is an additional security force in which ex-service men have been employed. The security force works closely with the local police to ensure safety and guidance to tourists.

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

Conclusion

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. 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.

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