"Education is a liberating force, and in our age it is also a democratising force, cutting across the barriers of caste and class, smoothing out inequalities imposed by birth and other circumstances."

- Indira Gandhi
## Block 2

### TOURISM INDUSTRY

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In this Block we move on to discuss how the tourism phenomenon takes the shape of tourism industry.

Unit-4 discusses the Tourism System in relation to Demand-Supply determinants and constraints. After defining certain concepts like Pull and Push etc, it mentions about the Demand-led system and Supply related problems along with tourism impacts in brief.

Unit-5 starts with the debate regarding the nature of Tourism Industry. It goes on to list its various constituents in brief as they have been separately discussed in independent Units. Different types of tourism organisations at national and international level, representing varied groups and interests have also been discussed in this Unit.

Unit-6 deals with various regulations related to tourism.

Unit-7 we have discussed the importance of statistics and measurements in tourism. Their relevance for the Tourism Industry in relation to forecasts and planning has also been dealt with.

Acknowledgements: We express our gratitude to WTO, IATO, TAAI and FHRAI for providing us their literature which has been used in the Block.
UNIT 4 TOURISM SYSTEM

Structure
4.0 Objectives
4.1 Introduction
4.2 Concepts
   4.2.1 People and Their Environment
   4.2.2 Pull and Push
4.3 Demand-led System
4.4 Supply Related Problems
4.5 Tourism Impacts
4.6 Let Us Sum Up
4.7 Keywords
4.8 Answers to Check Your Progress Exercises

4.0 OBJECTIVES
After reading this Unit you will be able to:

• link the historical changes in tourism concepts as well as touristic activity through the identification of Demand-Supply determinants and constraints,

• identify the role of the linkages and system of Demand-Supply in terms of the tourist and the destination in the process of consumption of goods and services,

• critically examine the issue of Tourism Management in terms of the state, the entrepreneur, the tourist and the community, and

• understand the concept of tourism impacts.

4.1 INTRODUCTION
By Tourism System we mean that conceptual approach which helps to identify the dynamic elements of tourism. The boundaries of tourism are extremely flexible and can be confused with leisure and recreation activities.

This Unit goes on to explain the Tourism System in its totality. The demand and supply along with the pull and push factors in tourism are also discussed. The models offered by different experts have also been dealt with. Lastly, the Unit gives a brief description of tourism impacts.

4.2 CONCEPTS
Tourism is being systematically viewed as a framework in which the theory and practice link up with each other to address the satisfaction of all those concerned with the functioning of the system.

The dynamic element of the Tourism System is its historical potential for development and resulting benefits. However, the system operates within a global economic environment along with national priorities. These are often not understood in a common perspective. The different perceptions can act as constraints on the developmental potential of a destination. Today, the tourism debate centres on the dynamic of the Tourism Phenomenon where perceptions of the receivers are somewhat different to that of the tourists. The consumers are not always sensitive to the host, nor are they of major importance to the host. Often we have seen people in our bazaars or other public places say “the foreigner is nobody’s friend”, or that “they are very free with our hospitality...
Tourism Industry

but very careful with their dollars”. Similarly, many a times tourists abuse symbols of
local pride and standards of local services. Tourists generally assume that they are being
cheated because they know that bazaars run on bargaining.

- Tourism System has a four-tier framework shown below:

### Tourism Framework

**Tier-1**
- **Demand**
- **System**
- **Supply**

**Tier-2**
- **Transport, Communication**
- **Promotion, Information**
- **Travel Agents/Operators**

**Tier-3**
- **Policy**
- **Planning**
- **Education/HRD**
- **Marketing**
- **Finance**

**Tier-4**
- **Organisational**
- **Host**
- **Tourist**

How far does the phenomenon of tourism balance between the expectations of the tourist
and the resident population depends on the:

- interaction between the support system of the resident and the tourist, and
- perceptions of both groups regarding their right to have access to tourist oriented
  products as well as resident oriented products.

This means that the Tourism System must estimate the carrying capacity so that
slogans to promote destinations will not have to exclaim “Get there before it disappears”.

The system therefore has to be “managed” so that everybody’s expectations are capable
of being realised. How the system is managed will indicate the nature of the impacts of
tourism on the industry, the host population and the tourist. The broader goals will be
the economic, social and cultural changes that the managers of tourism (the state and the
private sector) have envisaged along with the expectations of the residents of the area
where tourism is actually located.

**Time—Work—Leisure—Tourism Implications**

- **Education, Training**
- **Work**
- **Survival**
- **Recreation**
- **Business**
- **Travel**
- **Leisure**
- **Tourism**

**Pleasure**
Work is understood to be a necessity for survival just as recreation and leisure are necessary for coping with routine life. Yet, time is finite and often institutionally determined or determined by the process of satisfying both private and public needs. The location of tourism within these complex relationships is both a matter of social development and custom, which are then reflected in the working of the system.

4.2.1 People and Their Environment
The following issues emerge within a Tourism System in relation to the people and their environment.

1) **Finite Resources**—both time and money determine opportunity and are generally not unlimited.
2) **Action**—the potential for discretion in the use of time and money exists and yet obligations act as constraints.
3) **Facilitation**—is an aid to discretionary action but within the possibilities offered by travel/journey components and support services.
4) **Results**—both pleasure and utility are desired in all life-world situations, including tourism.
5) **Beneficiaries**—both host and guest, since the process of tourism demands the participation of both groups for its success even in the most controlled and contrived touristic sites and events.

Each of these issues create problems which have to be resolved and taken care off.

4.2.2 Pull and Push
The resolution of these problems is achieved through what are called the ‘pull’ and ‘push’ factors in the Tourism System.

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<td><strong>SUPPLY</strong></td>
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<th>PULL</th>
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The Tourism System influences governments, industry, business and even the households of common people. That is why tourism is no longer ignored by policy makers or in the economic and social policy debates. In this connection it is important to understand the present global Tourism System. In the last two decades, tourism has been contributing 6% of world output, one in 15 jobs and 7% of capital investment. The WTO asserts that tourism is at the leading edge of the service sector and that the future of the industry is bright. It can double its contribution to world output, increase jobs by 33% and capital investment can jump by 80%. The centre of gravity of tourism is also shifting from Europe to the Pacific Region which will account for more than 35% of travel by the year 2000 (as per WTO forecasts). Tourism will continue to globalise, privatise and consolidate in the last decade of this century. However, this decade has been declared the “value decade”, where:
Tourism Industry

• input costs are rising,
• revenues are low due to competition, and
• travellers are demanding value for money.

This means that loyalty for a destination will be undermined by bargain hunting. As quality goes down, the compatibility of tourism with human and physical environments is being questioned. In fact, there is a questioning of the very values on which tourism has developed in the modern era, with worldwide anti-tourism networks.

Within this global perspective, the liberal economic policy announced by India has renewed interest in India as a destination, an interest that goes just beyond the 'mystique'. The success of any destination does not depend only on the richness of the tourist product, but on the effectiveness of the Tourism System which determines the packaging and marketing of the product. An example of this new approach is the creation of a new appeal. Today, Golf Tourism is a prime draw for the world's highest spending travellers. China, which is making a major bid for a premier position in World Tourism, has chosen golf as one of its major systemic interventions. The Chinese are planning 400 new golf courses in the next 15 years. Thailand which had no golf courses 15 years ago now has 50 of international standards. India has a very old golfing tradition and many of its clubs are more than a hundred years old. However, they are said to be below international standards and if India is to get a share of this significant market, at least 50 new courses have to be developed. Yet, two projects, one near Bangalore and the other at Begul (Goa) have already activated people in these villages to demonstrate against such development. But despite such demonstrations elements of the Tourism System demand that such development will take place if India is to increase its share in the market.

The system then introduces push factors that ensure that the problem of land use will be effectively resolved by employment and evaluating a job in tourism services as of more value than in self-employment in any traditional sector. This evaluation in the name of progress and development has critiques as well as supporters.

Check Your Progress 1

1) What do you understand by the four-tier framework in Tourism?

2) Why cannot Tourism be ignored by policy makers?
On what factors depends the success of a destination?

4.3 DEMAND-LED SYSTEM

Because demand for tourism can be postponed or can often remain at the level of wish fulfillment, the needs and objectives of the tourists are often given exclusive importance by policy makers. One can say that product behaviour and use of resources, technology, labour and capital on the supply side are often utilised poorly. When the environment for the Tourism System is Demand-led, tourism tends to be outward oriented, looking more to the satisfaction of the tourist rather than the resident. For example, Indian tourism has, by and large, ignored the 62.3 million domestic tourists. This is because in the global framework of tourism success what counts is the share of the world tourist market. With Europe as our historical priority, in a demand led situation, we are concerned, for example, that Belgian tourists find it expensive to visit India because they have to fly via Paris. The absence of direct flights to India is a constraint. Hence the system demands that if tourism demand is to be satisfied, then India must follow an “open skies” policy.

The Indian tourist product, though rightly famed for its richness and remarkability, is found wanting in terms of infrastructural strength and diversity. Since Third World destinations are seen as destinations only, the standards of the infrastructure and superstructure are evaluated in European terms. Third World Governments also see Domestic Tourism as a subsidy oriented development and the growth of out bound tourism as an activity which must be kept in check. The fact that in 1992, we had more outbound than inbound tourists is seen as a failure of our tourism policy. In fact, all countries tend to see only the international perspective in tourism because of the foreign exchange component and marginalise all other aspects. Factors that shape demand for tourism are therefore examined in the international context like:

1) Leisure time—holidays, vacations, retirement age, shrinking work, weekend.
2) Life Cycle Stage—time and money available to finance tourism.
3) Increased mobility—cost and accessibility to air and automobile transport.
4) Work patterns—flexibility of time.
5) Affluence—increased real incomes
6) Women in the work force
7) Attitudes to marriage
8) Increased amenities to simplify home chores.
9) Trend towards smaller families, higher education and higher life expectancy.
10) Increasing urbanisation and migration.

To encourage the full potential of these factors it is expected that destinations should:

• have increased accessibility by scheduled, charter and domestic air services,
• promote market exchange rate (devaluation) and control inflation,
• re-orient the business cycle,
• relax visa controls, encourage tourism education and language skills,
• use technology (like air conditioning) to counter climate,
• ensure safe health conditions and control pollution (international standards of hygiene), and
• resolve political disputes to ensure stability so that tourists feel secure.
Many of these aspects undermine the integrity of nations and the security of the local people as many destinations are now reporting tourism related crimes. Whereas suggestions for tourist police are forthcoming, ways of controlling drug and sex abuse or disturbing the peace and offending local people by dress and behavioural attitudes has never been assessed as a constraint, nor are any measures suggested for redressal of tourist generated tensions. The tourist is always seen as the victim and the resident as an aggressor.

At present the hospitality model creates real benefits for the consumer without protecting the destination, which is really a non-renewable resource.

4.4 SUPPLY RELATED PROBLEMS

India gets a lot of exposure but very little big business. For example foreign tourist arrivals in India constitute only 0.4% of total foreign tourists movement at an international level. Back-packers have always found India an attractive offer because a few dollars plus the generosity of the people combine to go a long way. What we want are the high spenders because within the global economy we require foreign exchange earnings to operate a free market system since tourism services have perhaps created desires that go beyond our material needs. For example, gourmet foods are not necessary to keep us alive and yet they become an essential part of the tourists’ wants. The “style, feel and ambience” leaves no physical trace but must be manufactured and sold. In tourism supply, the most important relationship in modern society is not between man and man (the hospitality of pleasant societies) but between man and his products. The cultural gap between one society and another has become identified with its material aspects like language, music, dance, visual arts and literature, even festivals. This is what we mean when we say our culture has been “commercialised”.

The commercialisation of culture removes the world of leisure form the world of work. This removal and then concentration of leisure in vacation’s, amusements, games etc., creates the normless holiday environment. (No rules, no dress code, no behavioural codes, no future). In such a situation, it becomes a very difficult problem to provide the facilities that the high spending tourist wants. The foreign tourist who insists on European food, coffee and soft drinks with his meals, hot running water (36 gallons per person, per day), airconditioning, air services etc., will ignore a destination that does not provide these facilities within which the holiday activity has to be pursued. Since the major economic, social, technological and cultural components of demand are located in the metropolitan countries, it is not surprising that tourism all over the world is created on their image. However, the tourist is also a victim of the sophisticated promotion of a tourist product by creating an image of the destination that creates a new kind of demand.

Tourism image can be looked at as a:

- personal process which helps us to determine what type of holiday to take, and
- particular strategy of a tour operator or a travel agent.

This is what can be called destination “mythology” through which a tourist is ensured by an unreal picture of a foreign destination. The mythology is based on what may be termed the “bliss formula”. For example, Thomas Cook and Kuoni (tour operators) promoted Kenya and Gambia with almost identical use of the bliss formula: sun drenched wad, exciting dense jungles and great rivers, pulsating tribal drums and dances, scenes from a Tarzan epic, sun bathing and exploring all from the comfort of a western hotel.

There has been a change in the approach to understanding the nature of tourism in a more qualitative manner. Today, there are many types of tourists who are neither ‘superficial in twists’ nor ‘modern pilgrims’.

Valene Smith has created seven typologies:

1) **Explorer**—few in number, looking for discovery and involvements.
2) **Elite**—individually created visits to exotic places.
3) **Off-beat**—wanting to get away from the crowds.
4) Unusual—seeking physical danger or isolation.
5) Incipient mass—single or small groups using some shade services.
6) Mass—package tour market desiring tourist enclaves.
7) Charter—mass travel to destinations which have standardised western facilities.

The host feels the impact of each of these categories to a different degree.

Erik Cohen has created a typology based on the meaning tourism has for the tourist, rather than the impact it has on the host or the opportunity each type provides to the travel trade:

1) **Recreational**—to relieve the stress of work
2) **Diversionary**—escape from boredom and routine
3) **Experimental**—a modern pilgrim looking for authenticity in other societies, because it has been lost in one’s own society.
4) **Experimental**—to experiment with alternate life styles.
5) **Existential**—finding a new spiritual centre as a result of a touristic experience.

These generalisations help us to clarify both what tourism does for us and how to judge what kind of tourism is acceptable to us. There is enough evidence to suggest that the aspirations of Western tourists do not match the priorities of many Third World governments or the aspirations of the host people. In order to maximise income these priorities can be:

i) creating mass tourism enclaves (for example, beach resorts in Goa),
ii) turning the trade to a small up-market component (incentive tours),
iii) encouraging mass tourism with maximum visitor-host contact,
iv) to have a mix of all the three models.

How we realise our priorities is however determined by powerful external factors, like the decision-making process and competition. Motivation (attitudes, values, needs) is one factor that influences decision-making. Yet, it is not a simple concept as there are four motivational categories:

- physical,
- cultural,
- personal status, and
- prestige.

Secondly, decision making is often not rational because information is never complete or is tailor made.

Mathieson and Wall have provided a 5 stage model relating to decision making:

1) **Desire**—the initial period when a need to travel is felt.
2) **Information**—books are collected; friends, travel agents are visited and cost/time/evaluation and alternatives are weighed.
3) **Decision**—choice of destination, mode of transport, accommodation and activities.
4) **Preparations**—tickets, bookings, money, documents, clothing and journey.
5) **Satisfaction and Evaluation**—before, during and after the trip and likely to influence future decisions.

It is very difficult for a destination developer to intervene in decision making except at the first stage. In case it is done, such an intervention is often at a very high cost. Many Third World countries do not have the means to enter the competition on equal terms. In such a situation the state intervenes to set the parameters of development and before one can see the impact of policy a certain approach in the race for tourism is institutionalised. Therefore, all destinations do not have the same historical experience nor do they have the same role in global tourism development. A simple time scale model will show us how the relationship between the industry, the host population and the tourist changes with development.
Tourism Industry

1) **Discovery**—when a new destination begins to attract attention.
2) **Local response**—when national entrepreneurs respond to new income generating opportunities or policies that direct investment to a particular field.
3) **Institutionalisation**—when the industry is taken over by large foreign companies.

This is the experience of Indonesia which is being promoted as a model for all Asian countries. This view considers only inbound tourism as a policy success and outbound tourism as a failure of tourism policy because it does not view outbound tourism as an income generating activity. Experience however proves the opposite and there are several national entrepreneurs who would like to capitalise on the outbound market. There is nothing to recommend the Maldives experience, where luxury resorts came up in 40 small islands in the wake of a new airport which could handle wide-bodied aircraft. There was a relatively minor involvement of the local people in this development. Erik Cohn suggests that much depends on the history of tourism in a particular destination. Where tourism grows originally and the industry begins in a small way it is likely to follow the three stage model. On the other hand where tourism is introduced from the outside, there is institutionalisation in the beginning itself. Here a reverse pattern develops with groups in the host country attempting to regain control to deinstitutionalise tourism. Alternatively, Third World chains can emerge, like the Oberoi, which penetrate the global system from the peripheral supply elements.

The worldwide expectations fall into five categories:

1) **Attractions**—natural, man-made and cultural or ethnic
2) **Transport**—easy access, particularly to world air routes
3) **Accommodation**—the commercial sector, the supplementary sector and the informal private sector.
4) **Support Services**—shops, banks, medical aid and other resident oriented products.
5) **Infrastructure**—roads, railways, airports, electricity, sewage disposal and whatever is required to provide support services and facilities.

Even where these facilities are provided, would be tourists are attracted by low costs, safety, security and stability. Therefore all destinations have to promote these positive elements. However, about one-eighth of the total travel market is attracted by budget destinations even where the country adapts to market trends in providing the essential supply elements.

In recent years we have seen “Visit......Year” organised in several Asian countries, as a one time attempt to attract larger numbers. Malaysia, which had a successful year when we did not, achieved it at a high cost by paying-off agents and operators around the world to bring tourists to their country. In the following year, numbers were down again and Malaysia is once again advertising a “Visit Malaysia Year” to raise its tourist arrivals.

You might wonder why a destination would go to such lengths to attract the international tourists and that brings us to the mythology of impacts.

---

**Check Your Progress 2**

1) Why do all countries tend to see the international perspective only in tourism?

---
2) Mention the factors that shape the demand for tourism in the international context.

3) What is a normless holiday environment?

4) Discuss the typology of Erik Cohen.

4.5 TOURISM IMPACTS

The justification that tourism is economically good for a destination often ignores the integrated nature of the system of underdevelopment. There is a heated debate on the pros and cons of tourism. To look at economic development in isolation from the developmental context is to accept the needs and values of the modern tourist as a universal justification. All the studies which propagate tourism's economic benefits, although sophisticated, do not address the fact that there are complex interactions between tourism and other sectors of the economy. For example, tourism in Ladakh has seriously affected the agriculturist; in Kerala it has affected the rights of fishermen and in Goa it has replaced traditional occupations. In most modern tourism projects there has always been a conflict of land use and environmental damage through hotel construction, tourist pressure and waste disposal. However, these can be attributed to mismanagement of tourism rather than tourism itself.

Secondly, most Third World countries do not estimate leakages on the tourism account correctly. The outbound and inbound expenditures are co-related, without counting the infrastructure and support costs or the import content of tourism services. Today, with management contracts and franchises on the increase, the leakages are likely to be greater. With the increasing privatisation foreign companies will begin to operate within the country to siphon off a share of the local expenditure.

Add to this the impact of devaluation and the multiplier of the tourist dollar is further eroded. The recent debate between tour operators and hotels in India over the issue of dual tariffs is an example of this. Hotels were charging a higher rupee equivalent to foreign tourists which was however the standard dollar tariff. Such a practice was considered unfair by the tour operators and the tourists who represented to the Government to abolish the dual tariff. The Government, under pressure from external sources
ordered the scrapping of dual tariffs much to the concern of the beleaguered hotel industry. (You will read in detail about the economic impact in Unit 34).

The social impact of tourism is equally complex. Whilst the international understanding and goodwill ideology wants tourism to be promoted at any cost, the social effects are not exactly invisible. Sex tourism, drug peddling and bride buying have become closely inter-linked, particularly in Third World countries with some form of tourists. Thailand, Nepal, Sri Lanka and India have clearly seen the negative impact of such tourists.

In certain cases the curio trade has encouraged the vandalisation of our architectural heritage and art objects. This has happened despite the legal structure prohibiting such commerce. Even trade in banned items like Rhino horns and tiger claws and ivory have encouraged the continuation of poaching. However, many wildlife tourists are considered to be a preserving factor by the travel trade. There is also the practise of illegal trade in hard currency. Such activities turn a section of the local population into pimps, touts and blackmarketeers. Sometimes tourists may provide the market for such activities.

Finally, there is the demonstration effect. This is in terms of translating all codes and behaviour of tourists as "modern" or "progressive". Their dress and manners are adopted by those who are either in close contact with the tourist or young people who live in tourist destinations.

But perhaps the greatest impact is the cultural erosion that takes place in functional tradition that turns into a pop tradition by transforming the content of a culture into its symbols or ethnic markers. These are generally visual and relate to origin, names, architecture, landscape and people in their daily lives and in their rituals.

These ethnic stereotypes are created by many travel agents through their brochures. In the process of marketing images of exotic places and people, the brochures draw upon a small set of ethnic markers to provide a conceptual framework through which the tourist "learns" while abroad. The ethnic reconstruction then becomes the index of authenticity and the ethnic stereotype becomes confirmed in the eyes of the tourist because it is easily recognised.

Perhaps this is considered a harmless exercise by many, but the danger line is crossed when change and progress are arrested; when a stereotype is challenged by local people who no longer want to remain objects for the tourist gaze.

Today, the focus of tourism is an exotic cultural figure as the key attractions. Tourists go to see folk costumes in daily use, shop for handicrafts in bazaars and melas, learn some useful words, look for typical features, or relate to local colour (e.g. Moghul and Rajasthani dress in service encounters). Many writers have considered the tourist approach to ethnicity as kinder than that of the conqueror, the anthropologist, the missionary or the coloniser, because it is said to want to preserve, to restore and recreate ethnic attributes. This is perhaps why we organised very constructed views of our ethnicity through the Festival of India in different parts of the world. (See Unit 21 of TS-2.) This is ethnicity constructed for the entertainment of others. The money earned from this is not necessarily transferred to the site for it goes into the pockets of others. In many cases for the performer the only pay-off is the applause.

Such ethnicity is touristic and is weakened by being exploited. It is an expression of the very contradictory nature of international tourism on the one hand and the common identification of the tourist culture which is understood as Western culture, on the other hand. This leads to artificial or real preservation of local ethnic groups and attractions so that they may be consumed as touristic experiences. For the people themselves, who have been transformed into "things", the change that has occurred now has economic and political implications. Tourism policy makers, professionals and researchers have to take these implications into account for the systematic and healthy development of tourism.
Check Your Progress 3

1) What impact does the curio trade have on culture?

2) What is the focus of today's tourism?

4.6 LET US SUM UP

The Tourism System is, therefore, working out of the Tourism Phenomenon within the constraints of a Demand-Supply situation which is often problematic given the function of market forces. As a result, many have viewed the problematic as a management function and have advised the shift to planned tourism within a policy framework. Others have called this approach as pseudo-change. Critiques of planned tourism and tourism policy advocate a system that considers the problems of tourism impacts which should determine the constraints of tourism development. Alternative systems suggest that the very values of the Tourism System beget its problems and therefore tourism should not be demand led but supply led. Tourism exchanges are often power exchanges and to invest control of tourism, its negative forms should be resisted. This will lead to a healthy development of tourism, doing away with its mismanagement that leads to negative forms.

4.7 KEYWORDS

Back Packers: low budget tourists; low spender tourists.
Devaluation: reducing a currency to a lower fixed value in relation to another currency.
Multiplier Effect: more than proportionate increase in relation to investment.

4.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) The four tier framework takes into account tourism phenomenon, demand and supply aspects, management and impacts along with goal maximisation. All these form part of the Tourism System. See Sec. 4.2.

2) Because of its impacts in various fields like employment, foreign exchange earnings etc. the policy makers cannot ignore tourism.

3) The success of a destination, however attractive it may be depends on the effectiveness of the Tourist System. See Sub-sec. 4.2.2.

Check Your Progress 2

1) This is because in the global framework of tourism success what counts is the share in World Tourism market. See Sec. 4.3.

2) Mention factors like 5 star accommodation, easy accessibility, airconditioned coaches, devaluation, relax visa controls etc. See Sec. 4.3.
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3) You are under no controls or obligations but act as you wish.
4) Discuss the five points of Cohen mentioned in Sec 4.4.

Check Your Progress 3

1) It has been found that in some cases this leads to vandalism of arts and architecture as imitations also appear. See Sec. 4.5.
2) An exotic cultural figure is the key attraction for tourism of today. See Sec. 4.5.
UNIT 5 CONSTITUENTS OF TOURISM INDUSTRY AND TOURISM ORGANISATIONS

Structure
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5.1 Introduction
5.2 Tourism Industry
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  5.3.1 Primary/Major Constituents
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5.7 Private Sector Organisations in India
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5.9 Keywords
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5.0 OBJECTIVES

After reading this Unit you will be able to:
• understand why tourism is being called an industry,
• know about the various constituents of the Tourism Industry,
• learn about the interdependence of its various constituents,
• familiarise yourself with various types of tourism organisations,
• learn about the functions and relevance of some of these organisations, and
• list such questions about the Tourism Industry that tourism professionals should be able to answer when required.

5.1 INTRODUCTION

The tourism of today is the outcome of the combined efforts of its various constituents. There are possibilities of more constituents being attached in the future. In fact what we may define as Tourism Industry is a mix of the output and services of different industries and services. This Unit begins with a theoretical discussion on tourism being described as an industry. It goes on to identify and list its various constituents. However, their description is confined to a brief discussion as most of them have been independently discussed in individual Units. The Unit also takes into account some of the important organisations that have emerged over the years in tourism at national as well as global levels. A first hand knowledge of these is a must for tourism professionals and researchers in the area.
5.2 TOURISM INDUSTRY

Recently, a newspaper report (Hindustan Times Sep 12, 1993) mentioned about Tourism Industry suffering a setback because the Development Commissioner of Small Scale Industries of a particular Indian state refused to recognise tourism as an industry. He had his own objections like: “tourism development could not be subsidised”, etc. However, it was felt that the matter should not have been referred to him as the government had already declared tourism an industry. Yet, there is no doubt that once tourism is mentioned as an industry a number of complexities arise. Scholars too have offered different views in this regard. For example, Neil Leiper has attempted to sum up the debate in his article “Defining Tourism and Related Concepts: Tourist, Market, Industry and Tourism System” (VNR's Encyclopedia of Hospitality and Tourism, New York 1993). The views that have been taken into account are of A.I. Burkart, Kaiser and Hebber, Kaul and Leiper:

1) Burkart and others recognise Tourism Industry that is:

- comprised of a broad range of business and organisations that are related to “virtually all areas of economy”, and
- the components include all suppliers of goods and services which the tourists require.

Hence, on the one hand Tourism Industry comes up as a huge industry where as on the other “it also leads to perceptions of a highly fragmented industry”. It is based on the assumption that “tourists' expenditures reflect the existence and scale of Tourism industry”, and does not take into account how certain “businesses are managed in relation to tourists or to one another”.

2) Kaiser and others have advocated that there “is no such thing as Tourism industry”. What happens is a collection of several industries that function separately with various types of links with tourists. These links can be both incidental as well as purposeful, direct or indirect.

3) Leiper has taken an intermediate position. According to him the “tourism industry comprises those organisations” that are:

- in “the business of providing goods and services to meet the distinctive needs of some identifiable collection of tourists”, and
- “cooperate with one another, to some degree, in doing so”.

This places some organisations like travel agents, tour operators, guides, etc. within the scope of tourism while leaving others aside. This could be like the difference between a shop at an airport opened especially for travellers and the one in a city market that caters to anyone.

Without further going into the debate we may sum up for you that because of the economic impacts involved, profits, employment generation, earning of foreign exchange etc., more and more countries are declaring tourism as an industry; adopting policies and making plans for it; forming regulations and giving incentives. It is also worth mentioning here that in many developed countries tourism is now being referred to as a service rather than an industry. This is so because these countries have reached a stage of perfection in terms of infrastructural development and the emphasis is on the consumption of services. On the contrary the developing countries like us are still struggling to create infrastructural facilities and a lot needs to be done. Hence, tourism is an industry for us rather than just being a service.

In the Seventh Five Year Plan (1985-90) tourism was accorded the status of an industry by the Government of India. Hence, as a plan objective its development was listed for the first time in the planning process. In May 1992 a National Action Plan was drawn for its growth and development.

5.3 CONSTITUENTS

The constituents of tourism industry are varied—ranging from small scale businesses operating at local levels to multinationals. For example a fast food counter at an airport is a component of the Tourism Industry as is an airline or a hotel for it has its own serving purpose for the tourist. Moreover, these different components are closely linked to each other. This linkage is there in spite of the competition within one set of constituents. For
example, Hotels A and X are competitors but both are dependent on tourist arrivals through the airline. And Airlines Y and Z are competitors and so on. In fact very often its a chain of linkages and modern tourism is a result of the intermixing and combined efforts of the various constituents. Let us list for you the primary and secondary constituents that make the Tourism Industry.

5.3.1 Primary/Major Constituents
Under this we list the very essential constituents.

1) Transport
Well you need a mode of transport to travel or to suggest one to your client if you are a travel agent or a tour operator. Further, the travel depends on the availability of seats etc. Today, the travel Industry is a highly developed industry with its various branches in the areas of road, rail, air and water. (You will read in detail about them in Unit 8.)

2) Accommodation
A tourist not only travels but also stays somewhere. And here comes in accommodation. It could be of different types i.e. from cottages or tourist lodges to a house boat or a five star hotel. (See Unit 9 for details.)

3) Catering, Food and Entertainment
Well, a tourist has to eat also and here comes the role of catering and food. Restuarants, fast food joints and dhabas, all play a role in this regard with different cuisine to offer (See Unit 12 of TS-2). Different forms of entertainments are provided as attractions at the destinations.

4) Intermediaries
The intermediaries constitute the travel agency, tour operator and guide services. (See Block 14)
The constituent which co-relates all the components of tourism is the travel agent/tour operator who has accumulated knowledge, expertise and contacts with providers of services. He is a useful and invaluable intermediary between the traveller and the suppliers of tourist services i.e. airlines, transport companies, hotels and auto-rental companies.
The functions of the travel agency depends upon the scope of activities it is involved in and also the size and the location. The agency has specialised departments each having to perform different functions such as:
1) Providing travel information
2) Preparing itineraries
3) Liaising with providers of services
4) Planning and costing tours
5) Ticketing
6) Providing foreign currency
7) Insurance, etc.
Some of the travel agents are also tour operators who manufacture tourism products. They plan, organise and sell tours. They make all the necessary arrangements e.g. transport, accommodation, sight seeing, insurance, entertainment and other allied services and sell this ‘package’ for an all inclusive price. A package tour may be a special interest tour, mountain tour, adventure tour or a pilgrimage tour. These tours are escorted and include transportation, meals, sight seeing, accommodation and guide services. The escort or the group leader is responsible for maintaining the schedule of the tour and for looking after all the arrangements.
The guide services play a vital role in tourism as a tourist feels comfortable when the essence of the culture is explained—especially when it is done in his own language.

5) Government Departments/Tourist Information Centres/Tourism Organisations
Many national and international organisations related to tourism form part of the Tourism Industry (See Secs. 5.5 and 5.6).

5.3.2 Secondary Constituents
Today there are a variety of services (formal and non formal) that constitute the tourism mix or are directly and indirectly related to tourism. For example, banks don’t come
Tourism Industry

under the Tourism Industry but they cater to tourists through traveller’s cheques or credit cards. Similarly, insurance companies offer short-term safety or accident policies to tourists. Here we list certain such constituents:

1) **Shops and Emporiums**: These sell various products to tourists. Many state governments have opened the emporiums in other states also. For example in Delhi practically all state emporiums are on Baba Kharag Singh Marg.

2) **Handicrafts and Souvenirs**: Certain handicrafts and souvenirs industries today are totally dependent on tourists for their sales.

3) **Local taxi/transportation** (e.g. pay, Rickshaw, tonga etc.)

4) **Hawkers and coolies**

5) **Communication services at the destination** (e.g. STD booth)

6) **Touts and Brokers**

7) **Advertisement agencies**

8) **Publishing industry** i.e. Publishers who publish travel guides, brochures, magazines, postcards etc.

9) **Artists, performers, musicians, etc.** who perform for the entertainment of tourists.

In the United Nations study on “The Economic Impact of Tourism in India”. The segments having receipts from tourism employment due to tourism are mentioned as:

1) Hotels and restaurants

2) Railway Transport services

3) Transport services

4) Shopping

5) Food and Beverages

6) Wool, silks, syn. fibre textiles

7) Wood and wood products except furniture

8) Leather and leather products

9) Metal products except machinery and trans. equip.

10) Misc manufacture, industries

11) Trade

12) Other services

Hence we can say that Tourism Industry has a very wide range and the governments in the Third World are giving incentives for its development.

**Check Your Progress 1**

1) Mention the viewpoints on tourism as an industry.

2) Discuss the role of intermediaries in tourism.

3) Why are Third World governments giving incentives to Tourism Industry?
5.4 TOURISM ORGANISATIONS

Over the years a number of organisations have emerged in tourism. They have played a vital role in tourism policy formation, planning, promotion, infrastructure and resort development, protecting the rights of tourists, negotiations, etc. Factors like importance of tourism in generating foreign exchange, employment prospects, national interests and at times the stage of development have determined the need for such organisations and accordingly influenced their growth and functions.

These organisations exist in Public Sector as well as Private Sector and at different levels i.e. global, national, state and local. For example, World Tourism Organisation, Indian Tourism Development Corporation, Maharashtra State Tourism Development Corporation or a Tourism club in a district of Kerala. A recent addition has been of some NGO’s devoting full time to issues concerning tourism like Equations in Bangalore.

Different segments of the industry also have their own organisations to defend and promote their rights like the Travel Agents Association or Tourist Guides Association.

5.5 INTERNATIONAL ORGANISATIONS

Many international tourism organisations have been formed which represent governments as well as the Private Sector. It is difficult to discuss every such organisation, hence we mention about a few important ones here.

5.5.1 WTO

World Tourism Organisation (founded 1975) is an intergovernmental body. It is a successor to the International Union of Official Travel Organisations (IUOTO) which existed from 1947 to 1975. As a United Nations specialised agency the WTO’s membership comprises 113 of the world’s governments and over 170 affiliate members (international and regional tourism organisations) from the Travel and Tourism Industry. WTO headquarters are at Madrid (Spain) and its three functionaries are:

- WTO Secretariat (permanent office at Madrid)
- General Assembly (meets every two years)
- Executive Council (meets twice a year)

The fundamental aim of the organisation shall be:

"the promotion and development of tourism with a view to contributing to economic development, international understanding, peace, prosperity, and universal respect for, and observance of, human rights and fundamental freedoms for all without distinction of race, sex, language or religion. The Organisation shall take all appropriate action to attain this objective. In pursuing this aim, the Organisation shall pay particular attention to the interests of the developing countries in the field of tourism."

Here we must remember that WTO is the only intergovernmental organisation open to the operating sector. This combination of public and private sector involvement encourages a hands-on approach to strategic issues affecting the industry. WTO also provides a forum for industry to "establish the frameworks and global standards of travel and tourism". It attempts consolidation of one of the world’s fastest growing industries. WTO’s activities include:

i) Technical Cooperation

As an executing agency of the United Nations Development Programme (UNDP), WTO provides assistance to governments on a wide range of tourism issues, from sustainable tourism development, investment needs and technology transfer to marketing and promotion. Over 600 projects have been fielded since 1980.

ii) Education and Training

Education and training is one of the major building blocks of the travel and tourism industry. WTO offers a variety of programmes, including "distance learning" courses, which have been organized with Purdue University and the Sorbonne.
Other projects include the establishment of a network of WTO Education & Training Centres and publication of a Directory of Tourism Education and Training Institutions.

iii) Environment and Planning

The goal of sustainable tourism development underlies WTO's work in environment and planning. Activities include participation in forums on tourism and the environment, such as the Rio Earth Summit and the Globe seminars in Canada.

WTO is also developing a global programme of clean beaches for tourism, based on the European Community's Blue Flag Programme.

Several publications, including three joint reports with the United Nations Environment Programme, provide vital input on tourism planning in resorts, communities and national parks.

iv) Facilitation and Liberalisation

WTO works towards the removal of barriers to tourism. Activities in this area include promotion of improved access to tourism for the handicapped, research on Computer Reservations Systems, involvement with the General Agreement on Trade and Tariffs (GATT) process, assistance on health and safety issues.

v) Marketing and Promotion

WTO continuously monitors and analyses travel and tourism trends in over 165 countries, which provide invaluable data for strategic planning and marketing.

Equally important has been the 1991 WTO Ottawa Conference on Tourism Statistics, which established global definitions of tourism. In this way a substantial base was created for the uniform measurement of tourism flows.

vi) Publications

WTO also has a number of publications. They include:

- Yearbook of Tourism Statistics,
- Compendium of Tourism Statistics (annual),
- Travel and Tourism Barometer (quarterly),
- Directory of Tourism Education and Training Institutions,
- An Integrated Approach to Resort Development,
- Guidelines: Development of National Parks and Protected Areas for Tourism,
- Tourism Carrying Capacity,
- Sustainable Tourism Development: Guide for Local Planners, and
- World Tourism Forecasts to the Year 2000 and Beyond.

5.5.2 Other Organisations

Besides WTO there are a number of organisations at the international level and here we give brief details about some of them.

i) IATA

The International Air Transport Association (IATA), is a nongovernmental organisation and membership consists of practically all air carriers. The Active members are engaged in international operations whereas the Associate membership consists of domestic airlines. IATA aims:

- at encouraging the development of reliable, regular and economic air transport for the benefit of travellers,
- to foster air commerce and study the problems their in, and
- to research the problems and issues related to the industry.

Founded in 1945, the activities of IATA have increased over the years. Today its services and roles include:

- setting rates on global routes agreeable to member airlines,
• planning of time tables for international flights,
• standardising and coordination of certain services like baggage checks, reservations, etc.

In addition IATA also provides statistical data on international air travel and acts as a clearing house for air ticket coupons.

ii) UFTAA

Universal Federation of Travel Agents Association was founded in 1966. Its members are national organisations and regional organisations. It aims representing the travel agency industry and travel agents at different forums and negotiates on their behalf.

Further we list few other organisations:

• International Federation of Tour Operators (IFTO) which represents national tour operator associations.
• International Youth Hostel Federation (IYHF) which represents national youth hostel associations.
• International Hotel Association (IHA) representing the hotel and restaurant industry.
• International Association of Tour Managers (IATM).
• Pacific Asia Travel Association (PATA), etc.

5.6 GOVERNMENT ORGANISATIONS IN INDIA

In most of the countries the tourism policy is formulated and in some cases operationalised also under a National Tourist Organisation. Matters related to development, promotion, marketing etc. are looked after by such official organisations. In fact their major functions are:

• policy formation and planning,
• promotion and marketing,
• coordinating between public and private sectors,
• human resources development through training and education, and
• legislation and regulation, etc.

Here we must take note of their importance in tourism as their role, functioning and attitude influence the entire gambit of tourism.

5.6.1 Central Government

In India the Department of Tourism, which comes under the Ministry of Civil Aviation and Tourism, functions as the National Tourist Organisation. As a tourism professional you may have to deal with the Department and its officials from time to time. The primary task of the Department is to lay down the policy, collect tourism related data, attend to enquiries related to tourism, publicise India as a destination, regulate the activities of different segments of the tourism industry, etc. Accordingly various advisory bodies and committees are formed to implement the policies.

An important function of the Department is to answer to tourists’ queries and guide them. For this it has its regional offices (Delhi, Calcutta, Bombay and Madras) as well as information offices at prime destinations like Agra, Jaipur, Aurangabad, Cochin, etc. Similarly, there are a number of tourist offices abroad which work in liaison with Air India for promoting India as a destination.

India Tourism Development Corporation (ITDC) is another Government Organisation that plays a major role in tourism promotion, travel and infrastructural development. You must be aware of the chain of ITDC hotels like, Ashoka, various restaurants and so on. Unlike the Department of Tourism, ITDC is a commercial profit earning organisation.

A significant step was taken by the Government in 1986 by setting up the National Committee on Tourism which has representatives from public and private sectors.
5.6.2 State Government/Union Territories

On the pattern of Central Government, the State Governments and Union Territories have their own Tourism Departments and Tourism Development Corporations. At all airports, major Railway stations and bus stands, tourist information centres have been set up by these departments. They are also actively engaged in:

- policy formation at their levels,
- promotional activities,
- destination development,
- providing guide services,
- conducting sightseeing tours, and
- providing lodging, etc.

Here we must mention that in our country we still don't have tourism organisations at the local levels of a district or municipality. In a few cases the local development authorities have been entrusted the task of destination development/maintenance. Yet, the performance is not up to the mark. Many state departments also have to improve their services. In this field we have to learn a lot from the countries that have a developed tourism industry.

Check Your Progress 2

1) Discuss the fundamental aims of WTO.

2) Discuss the functions of Government Tourism Organisations at the national and state levels in India.

3) Discuss the aims of IATA.

5.7 PRIVATE SECTOR ORGANISATIONS IN INDIA

In this Section we discuss the three most prominent organisations of the Private Sector in tourism.

5.7.1 IATO

The Indian Association of Tour Operators was established in the 1981. The idea has been "to promote international understanding and goodwill to the ultimate advantage". A joint forum of tour operators, the Association promotes and aids the development of tourism in India. This is done either directly or through discussions and meetings with other bodies and agencies.
The membership is open to organisations of good professional reputation and standing who have been connected with Tourism and/or travel industry for at least one year. However, there are certain other conditions also as per the category of membership:

i) Active Members
Eligibility for this category includes:
- a firm or company having an established place of business in India,
- recognised by the Department of Tourism as a tour operator/travel agent for a minimum period of one year, and
- its major substantial part of activity of promotion of tourism and foreign exchange earnings in a year is minimum Rs. 10,00,000/-

ii) Allied Members
Any firm or company, which is regularly engaged or associated with the tourism and travel industry and is recognised by the state or central government or by their trade association such as carrier companies, hoteliers, caterers, excursion agents, transport contractors, forwarding and clearing agents, shipping companies, state tourist organisations and trade publications.

iii) Other categories of members include:
- Overseas Allied Members,
- Associate Members, and
- Honorary Members

The IATO aims to:
- promote national integration, international welfare and goodwill,
- assist students by scholarship to pursue higher education, study and research particularly in the field of development of tourism and international brotherhood both in India and outside the country,
- institute chairs and fellowships in India,
- conduct aiding and assisting seminars, group discussions, course of studies, cultural meetings, etc.
- take all steps which may be necessary for promoting, encouraging and assisting the development of tourism throughout the country and to take initiative to secure the welfare of the tourism trade in all respects,
- encourage and promote friendly feelings among the tour operators and travel agents on all subjects involving their common good and benefit,
- promote equal opportunity for all visitors to enjoy the tourism and travel facilities without distinction of the race, colour, creed or nationality,
- set up and maintain high ethical standards in the industry,
- communicate with chambers of commerce, other mercantile and public bodies in India, government departments or committees, International Air Transport Association and various foreign and local associations and corporations, companies and concerns and promote measures in the interest of the travel trade and nominate members to act on them,
- get affiliation with similar organisations in other countries,
- produce regular reports about the achievements of the members of the Association and to do all such things as are incidental or conducive to the attainment of the above object.

Through the newsletter IATO IMPRINT the members are updated on regulations, events, complaints, etc. IATO has also been taking promotional tours abroad. For example the most recent tour was in collaboration with Deptt. of Tourism Govt. of India, Air India and KLM. It covered Benelux and Scadninavia (13-22 September 1993). Its members are also part of the Government sponsored tours and the most recent one was to South Africa with Air India (30 November to 13 December, 1993).
5.7.2 TAAI

In the year 1951, twelve leading travel agents of India felt that time had come to "create an Association to regulate the travel industry along organised lines and in accordance with sound business principles." Thus, came into emergence the Travel Agents Association of India. The primary purpose was to:

- protect the interests of those engaged in the industry,
- promote its orderly growth and development, and
- safeguard the travelling public from exploitation by unscrupulous and unreliable operators.

In fact, TAAI is a “professional coordinating body” consisting of various segments of the travel and tourism industry. It is recognised as the main representative body of the travel industry in India.

As a non political, non-commerical and a non-profit making body, it aims at:
- safeguarding the interests of the travelling public,
- maintaining high ethical standards within the travel trade,
- developing Tourism Industry through improving the travel agency business and service for tourists,
- promoting mutual cooperation among TAAI members, and
- contributing to the sound progress and growth of the industry.

By 1993 TAAI had a membership of more than 600 which includes members of different categories.

The Active Members of TAAI are supposed to:
- empathise with travellers needs,
- offer correct advice,
- undertake multi-sector domestic and international reservations,
- plan holidays, and
- ensure a hassle-free trustworthy travel.

The major activities of TAAI include:

i) Helping promote, maintain and stimulate the growth of travel and tourism in the country.
ii) Directing the attention of the controlling and regulatory authorities to the problems faced by the industry and discussing with them the means of survival and betterment of members.
iii) Maintaining close contact with world bodies and representing matters affecting the travel and tourism industry of India.
iv) Gathering and disseminating useful information on travel and tourism among members for their guidance.
v) Educating and equipping members to meet future challenges through seminars, conventions and sharing of thoughts and experiences.
vi) Helping to develop better understanding among the different segments of travel industry, etc.

5.7.3 FHRAI

The Federation of Hotel and Restaurant Association of India, formed in 1954, was incorporated as a Company under the Indian Companies Act on 7th December, 1955. The Federation was formed by the four Regional Associations functioning in the country viz. Hotel & Restaurant Association of Eastern India: Calcutta; Hotel & Restaurant Association of Northern India, New Delhi; Hotel & Restaurant Association (Western India), Bombay, and the South India Hotels & Restaurants Association, Madras.
The principal objectives of the Federation are to:

• unite the four Regional Associations in a representative national organisation,
• create a national fraternity of the hotel and restaurant establishments located all over India,
• consider and take decisions on all questions of interest to the hotel and restaurant industry,
• act as an information centre and disseminate statistical and other information concerning the hotel and restaurant industry and advise its members on matters of importance to them,
• promote and market the hospitality industry of India, especially hotels and restaurants, in the national and international market,
• coordinate and liaise with the Ministry/Department of Tourism and other concerned Departments/Agingencies of the Central and State Governments to achieve accelerated growth of the hotel and restaurant industry by securing suitable incentives for this industry and consider all questions connected with the hotel and restaurant industry and, as far as possible, to secure redressal of grievances of the industry.

The business of the Federation is managed by an Executive Committee comprising 24 members, 6 from each region. The Federation Secretariat is functioning from New Delhi with Secretary General, Joint Secretary, Deputy Secretary and other staff.

The Federation is a member of the International Hotel Association.

The Federation has emerged in a new role of a far more active and dynamic participant in the all out efforts of Government, both Central and State, to accelerate the development of tourism in the country in general and the hotel and restaurant industry in particular so as to fully exploit its increasing foreign exchange earning and employment generating potential. It is well known that hotels and restaurants constitute the major segment of tourism industry in the country and the success of any tourism promotion programme and plans depends on the availability of this basic infrastructure. According to an old adage: “If there is no hotel, there cannot be any tourism.” Though this may be disputed by some but no doubt tourists do need a place to stay.

The Federation acts as eyes and ears of the Government in the hotel and restaurant sector. For example, it keeps the Government apprised of the developments in this area and constantly reminds it about the problems faced by the industry and the measures necessary to remove operational bottlenecks apart from making investment in hotels and restaurants more attractive vis-a-vis other industries. Thus, the Federation has been helping the Government in the decision-making process. It was as a result of continuing discussions/consultations that, for the first time Government announced specific tax reliefs and fiscal incentives for the hotel industry in 1968. Since then, coordination between the Federation and the Government has been closer thereby ensuring quick and constructive decisions. The Federation is invariably associated with committees set up by the Ministry/Department of Tourism like the National Committee on Tourism and the Tourism Think Tank (constituted in 1991). For further promotion of the industry, its prospects and problems are discussed at open forums like the annual All India Hotel and Restaurant Conventions at which Union and State government representatives are also invited.

Check Your Progress 3

1) Discuss the functions of IATO.
2) Mention the objectives of FHRAI.

3) Discuss the functions of TAAI.

5.8 LET US SUM UP

More and more countries in the Third World are assigning industry states to tourism. In fact Tourism Industry has different constituents related to various services. Most of these constituents have their representative organisations. In tourism we find organisations at international and national levels in both private as well as public sectors. These organisations represent the interests of their members and help in coordinating certain services along with standardizing them.

5.9 KEYWORDS

Air Coupon: One flight coupon that allows passengers to fly internationally on several airlines.

Infrastructural facilities: These include facilities like; airport, roads, drainage, buildings, etc. at a destination.

5.10 ANSWERS TO CHECK YOUR PROGRESS

EXERCISES

Check Your Progress 1

1) While answering take into account all the three viewpoints mentioned in Sec. 5.2.
2) Base your answer on part 4 of Sub-sec. 5.3.1.
3) This is being done to earn more foreign exchange, create more employment at local levels etc. See Sec. 5.2.

Check Your Progress 2

1) Base your answer on Sub-sec. 5.4.1.
2) Read again Sub-secs. 5.6.2 and 5.6.3 for your answer.
3) See Sub-sec. 5.5.2.

Check Your Progress 3

1) IATO is engaged in a variety of functions like tourism promotion abroad, updating information to members etc. See Sub-sec. 5.7.1.
2) Base your answer on Sub-sec. 5.7.3.
3) These are like help promote the growth of travel, maintaining close contact with world bodies, holding conventions, etc. See Sub-sec. 5.7.2.
UNIT 6 TOURISM REGULATIONS

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6.0 Objectives
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6.0. OBJECTIVES

As a tourism professional it is imperative on you to know all those legal and quasi-legal regulations that concern the tourist trade in this country. The objective of this Unit is to give you all the important information that relates to:

- inbound-outbound travellers,
- economic regulations concerning such travellers,
- health regulations of the travellers,
- law and order regulations in vogue in the country,
- catering for the travellers, and
- regulations concerning environment protection in force in the country.
6.1 INTRODUCTION

A land of stupendous dimensions—colourful, exotic, traditional, modern... With her varied topography, picturesque valleys, high mountain peaks and cascading rivers. She never ceases to surprise tourists with her kaleidoscopic attractions.

This is how India is introduced to an itinerant tourist (Tourist Information Booklet, India. Department of Tourism, Government of India). Undoubtedly this description excites his/her imagination. Matched by the unfailing warmth and hospitality of our people, India should naturally become a destination for tourists from all parts of the globe. But nay! soon the excitement subsides and gives way to a realism that evokes a different response—India, a land of disorder where laxity in all kinds of regulations is a norm. This is an image based only partially on truth, but very largely a consequence of lack of information or even disinformation to some extent about the legal, regulatory control practiced in the country and adhered to in the same measure as in any other part of the world.

It is, therefore, an essential requirement on the part of a tourism professional to obtain and master comprehensive information on the regulations that affect tourism both directly and indirectly. Also important is the passing of this information on to the itinerant tourists. This will help to allay their misconceptions regarding India as a prospective destination. In addition this will enable them to know about and respect the regulations during their stay in India. In this Unit our aim has been to provide you with important information in this regard.

Here you must keep in mind the fact that the development and promotion of tourism in the country has largely been the responsibility of the Dept. of Tourism. Sadly, it has been functioning as a regulatory authority without any supporting legislation that specifically relates to tourism. As a result it has not always been possible to ensure a co-ordinated development of the infrastructure and a uniform regulatory code for tourism. In this context it is noteworthy that Asian and European Countries, which value their tourism potential, have very successfully provided support and incentives to the tourism sectors by incorporating such features into a Tourism Act. (See Appendix A for the salient features of some of these Acts).

6.2 INBOUND-OUTBOUND TRAVEL REGULATIONS

A traveller who is also a tourist is governed by the laws and regulations in force in the country which he visits. As a tourism professional, therefore, it is of vital concern to you that you are well versed in such regulatory controls that will affect your prospective clients. It is only then that you will be able to provide them with all the necessary information.

As a tourism professional dealing with outbound tourists it is important for you to obtain information about regions which your clients are intending to visit.

6.2.1 Passport and Visa Requirements

It is extremely important for all the visitors (except from Nepal, Bhutan and Bangladesh) from abroad to possess a valid passport issued by their respective countries before they enter Indian territory through land, sea or air route.

Currently visa is an essential requirement for people of all nationalities for entering India. There are several kinds of visas as listed below, available to foreign nationals:

- Entry Visa
- Tourist Visa
- Business Visa
- Long-term Visa (maximum duration of five years; multiple entry facility), and
- Collective Landing Permit (group tourists from abroad)
Indian Consular Offices in different countries issue Indian visas. The fee for this visa is US $5 per person. But nationals of Britain pay a Visa fee of £23 (1994 rates).

The maximum duration for which tourist visas are issued is 180 days. But if a visa is issued for a lesser duration and an application for the extension of the same is made within 180 days, no extra fee is charged. The only requirement is submission of a set of identical passport photographs. There is also the provision for the extension of visa beyond 180 days, but this is exceptionally operated. In such cases then the fee charged varies within a fixed scale.

<table>
<thead>
<tr>
<th>Extension of Visa</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion of transit visa into other visa</td>
<td>Rs. 125</td>
</tr>
<tr>
<td>and stay valid up to one month</td>
<td></td>
</tr>
<tr>
<td>Extension of visa up to 6 months on one month</td>
<td>Rs. 625</td>
</tr>
<tr>
<td>visa collected abroad</td>
<td></td>
</tr>
<tr>
<td>Extension of visa up to one year</td>
<td>Rs. 1300</td>
</tr>
<tr>
<td>Grant of five year visa</td>
<td>Rs. 2600</td>
</tr>
</tbody>
</table>

Note: The rates given here are those which pertain in January 1994 and they are changeable subject to government decision.

Visas can be renewed in all State capitals and district headquarters on an application made to the district police chief (Commissioner of Police/Senior Superintendent of Police/Superintendent of Police). Visa renewals and extension cases in the cities of New Delhi, Bombay and Calcutta are handled by Foreigners’ Regional Registration Offices (FRROs). In Madras such cases are dealt with by the Chief Immigration Officer (CIO). In Appendix-B we have given you addresses of major Indian Consular Offices overseas and FRRO and CIO in India.

The outbound travellers will seek visas from the embassies/consulates of respective countries they intend to visit. Most of these offices are located in New Delhi. The addresses of the embassies of the neighbouring countries have been given in Appendix-C.

6.2.2 Special Permits

Normally there is no restriction on Indian and foreign nationals for movement within India. But in the case of border states and the two groups of islands, (Andaman and Lakshadweep), a visitor requires a special entry permit. This permit is valid for a maximum period of 15 days only. For group tourists the application for special permit must be made at least two weeks in advance of the intended date of visit. We have given below detailed information with regard to the issuance of such permit state-wise.

Andaman and Nicobar Islands

Foreign nationals visiting the islands require prior permission. This can be obtained from Immigration Officer Port Blair on arrival. Permits can be obtained in advance from Chief Immigration Officers at Delhi, Bombay, Calcutta and Madras.

Arunachal Pradesh

All foreign nationals intending to visit Arunachal Pradesh require restricted area permits issued by Deputy Secretary, Ministry of Home Affairs, Government of India, Lok Nayak Bhawan, Khan Market, New Delhi, 110003; Tel: 4619709. Indian Nationals (domestic tourists) can obtain permits from Arunachal Bhawan at New Delhi, Calcutta, Guwahati and Tezpur.

Assam

Only Guwahati, Sibsagar, Haltiang and Kaziranga are open for foreigners. To visit these places permits are issued by Assam State Tourist Information Centres at Delhi and other parts of the country. Tourists can apply with passport size photographs, photocopy of passport and visa number. Permit is granted to groups of four and above only.
6.2.3 Custom Regulations

The usual duty free regulations of one bottle of liquor, i.e. 950 ml or less and 200 cigarettes apply for India. If the tourist brings in more than $1000 in cash or in traveller's cheques, it must be declared by completion of a currency declaration form. While small items like perfumes, cosmetics etc., are allowed into the country, larger items like video cameras are likely to be entered on a ‘Tourist Baggage Re-export’ form to ensure that the article is taken back on departure. The TBRE form should be resubmitted on departure.

A tourist can clear goods upto Rs.2,400 in value duty free. Goods brought in excess of this are chargeable to duty as per prevailing law.

Note: The figures/amount and regulations are as per the prevailing law in January 1994. They are subject to change by the Government hence, it is better to always keep oneself updated on them.

Check Your Progress 1

1) Why is it necessary for a tourism professional to obtain knowledge about regulations related to tourism?

2) Mention the types of visa. How can a visa be extended?

3) What do you understand by restricted areas?

6.3 ECONOMIC REGULATIONS

The inbound as well as outbound tourist is subject to several economic regulations. We have dealt with some of the more important ones in the following Sub-sections. You, as a tourism professional, are likely to deal with tourists generally within the ambit of these regulations.

6.3.1 Currency

Tourists are not allowed to bring Indian currency into the country or take it out of the country. However, there is no restriction on the amount of foreign currency or travellers cheques that may be brought into India. However, the import and export of local currency is prohibited due to stringent exchange control regulations.
On arrival, visitors should declare all foreign currency above $1,000. They are supposed to exchange currency only at banks and through authorised dealers, which include most hotels.

With each exchange of currency, they are issued an exchange certificate which should be retained to re-exchange unused rupees on leaving the country. It is also their proof that they exchanged currency through legal channels. You must caution the foreign tourists not to exchange currency in black market. The one who does so is not only breaking the law of the country but at the same time also running the risk of getting cheated. For example a tourist from east Europe was passed on used lottery tickets as currency in lieu of $1000 by cheats in Delhi.

Foreigners are not allowed to leave India with any local currency. For their convenience banks at international airports are open 24 hours daily to convert unused rupees. But encashment certificate must be produced while returning Indian Rupees.

6.3.2 Insurance

Insurance companies active in the field of movement of persons and travel have become increasingly involved in the provision of insurance to protect the client as well as the agent or the operators of tourism services. Most schemes are in the field of protection and security of the traveller as, for example, the Green Card scheme governing international travel by private motorists. Besides such insurance or indemnity schemes, travel has offered a number of creative situations and possibilities to insurance companies.

The typical tourist is generally confronted by two major travel risks:

i) Natural or human risks, like contagious disease, civil strife, natural disasters which may occur at the tourist destination. The agent or operator is neither in a position to foresee or forecast such events nor is he in all cases able to find ways to minimise or avoid the consequences in such circumstances. Most legislation accepts ‘force majeure’ or Common Law doctrine on the question of compensation liability of the agent, operator or provider of services.

However, since most risks are allocated between the operator and the tourist by contract rather than the operation of the law, the pre-supposition is that both the operator and the tourist have equal bargaining power. But in fact, the tourist lacks the economic strength to negotiate coverage of all risks.

ii) Risks due to the acts of omission on the part of the operator or what is termed “fault-oriented” risks. These are generally understood to arise from violation of a particular law or regulation or the failure to conform to standards, which in many cases remain undefined. In some cases reasonable standards are subject to discretionary interpretation when referred to tribunals which have been established to hear and decide such cases.

The same assumption of reasonable care devolves on the tourists as well.

Thus there is a necessary limitation on tourist risk evaluation in both legislation and insurance coverage. What is termed “constructive notice”, is often considered sufficient to impose a legal obligation on the parties to a contract.

Insurance can therefore be unreliable as in the case of:

i) Agents’ professional liability: a policy covers acts and omissions by the agent but not fraud or agents’ unlawful conduct.

ii) Exclusion clause protection: Such a policy also demands a 60 day time limit within which to file a claim, which the tourist is often not aware of.

Therefore, international efforts have been directed towards the development and implementation of a comprehensive system aimed at providing availability, affordability, clear and consistent exclusions, and compulsory funding and accountability by travel and tourism operators in the field of tourism.

In theory, no legal system insists on or sanctions strict liability against all risks, and suggests only a compromise between the tourist and the operator. In general legal precepts cover such factors as:
i) which party is more liable to pay,
ii) the seriousness of the risk and the harm it may result in,
iii) the ability of the party to spread the cost of the risk amongst its customers, and
iv) the importance of protecting the injured party.
Beyond this, certain no-fault risks are compensated through the medium of insurance.
Insurance is therefore supplementary to the need for uniform principles of law and administration that inter-governmental organisations are trying to bring about.

6.3.3 Income-Tax
If a person not domiciled in India intends to stay in the country for more than 120 days, an ‘Income Tax Clearance’ certificate is required in order to leave the country. This document will prove that the person’s stay in India was financed by his own money and not by working or selling his goods.
The foreign sections of the Income Tax Department at Delhi, Calcutta, Madras and Bombay issues these certificates on being shown the person’s passport, visa extension form and the currency exchange receipts which have been used by the person.

6.3.4 Foreign Travel Tax
For international travel from Indian airports Rs.150 must be paid for travel to neighbouring countries and Rs. 300 for travel to all other countries (1994 rates). This tax is also applicable to infants who may not be occupying seats.

6.4 HEALTH REGULATIONS
Health protection of travellers is viewed from a dual standpoint including preventive and curative measures. Vaccination is the internationally accepted form of preventative health care. Curative measures are based on the particular circumstances related to climate, environment and disease factors at the destination.

6.4.1 Vaccination
WHO, under international sanitary regulations, publishes regular information concerning both required and recommended vaccination procedures for international travellers. The local tourist information centres also advise domestic tourists regarding epidemic conditions within the country. Diseases have been successfully controlled or eradicated as a result of implementing the vaccination regulations.
A standard format has been developed for vaccination certificates so that the procedures of one country are recognised in other countries. This is an excellent example of international cooperation in the prevention of disease. The current fears regarding AIDS can also be overcome by similar international cooperation. Once an infectious disease has been notified, if vaccination procedures are not available, health checks can be related to visa formalities if tourists are coming from the identified countries or regions of the world.

6.4.2 Health Insurance
Travellers may be concerned not only with medical attention to specific diseases at the destination, but also for pre-existing health problems. Provision of medical attention to travellers has therefore been a key issue of debate.
A further question that inevitably comes up, in the provision of health care, is the responsibility of payment. Social security often pays for the health care of both residents and non-residents in some foreign countries. In other cases, only entitled persons may claim free medical attention. Reciprocal arrangements do exist between countries which have economic or cultural ties with each other like E.E.C countries. In some cases, emergency or accident cases may be treated free. In all other cases, medical treatment must be paid for at the existing rate, which varies according to the cost of living in different countries. Private medical insurance companies are generally used to provide coverage for such expenditure. Such insurance can be purchased either at home or in the visitor's country.
Tourism Industry receiving country. Spain's Seguro Turistico is the best known example of medical insurance for the tourist.

In commercial contracts, difficulties may arise due to the exclusion of pre-existing medical conditions, or insurance may not be available to senior citizens who are in the high-risk category. Lack of medical insurance can be an obstacle to the movement of both international and domestic travellers. It has been suggested by WTO that where there are state owned insurance companies, medical insurance should be extended to cover all sections of the population, regardless of age. This has been accepted in principle by UFTAA.

Check Your Progress 2

1) Why should a tourist be advised to exchange currency through legal channels only?

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

2) Discuss the travel risks confronted by a tourist.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

3) Which documents will be shown to get an Income Tax Clearance Certificate?

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

6.5 LAW AND ORDER REGULATIONS

All tourists, in the matter of law and order regulations, are subject to the regulations enforce in the land of their visit. India is an attractive tourist destination, yet tourists have, on occasions, complained of the treatment they get while vacationing in India. There is a lack of tourism consciousness which leads to avoidable behaviour towards the tourist, particularly by dealers and shopkeepers, intermediaries and tourist guides, touts, owners of boarding houses or house-boats, hoteliers, and operators of surface transport. We have given here the essential information for the facility of the tourists in such matters.

6.5.1 Police and District Officials

The administrative set up in India divides the country into states further sub-divided into districts. Each district in the states is manned by a District Magistrate/Collector and a Police Chief designated as the Superintendent/Senior Superintendent of Police. These two officials are the top functionaries of the state at the level of the district. The tourist should be advised to meet either of these officials in case of any difficulty pertaining to the matter of law and order in the district. In all emergencies 100 is the number to be dialled. You must also learn how to file the First Information Report (FIR) at the police station.
6.5.2 Law on Cheating

Tourists often complain of cheating while shopping. There have been complaints that at times guides and touts tend to direct the tourist to shops which give them a percentage on the amount of business they generate. Whenever the tourist does not patronise the establishment suggested by a guide, he is treated indifferently. Another type of complaint is that of cases like the ones listed below:

- a tourist has come to see the Taj at Agra. He is told there is curfew and he cannot go (which is not true). He is pushed towards shopping,
- the tourist wants to see some museum; he is told repairs are going on hence he should spend that time on shopping,
- fare of delux bus is charged but he is put on an ordinary bus, and
- the tourist wants to go to government emporium instead he is taken to private shop with government approved written on its board, etc.

The tourist’s money and belonging are some times stolen or the staff of the hotel is negligent. Hotels have also been, at times, accused of overcharging beyond approved tariffs, overbilling for services and overbooking. The business code is also based on an attitude of mistrust and given the fact that regulations are difficult to enforce, tourists or travel organisers often face genuine problems which can be in the nature of a breach of contract.

The legal system in India is extremely overburdened. For a tourist to get a just settlement from a court can take many years. The first complaint has to be registered at a district court where the backlog of cases is already so enormous that a time bound settlement is unrealistic.

Interestingly, one country which has endeavoured to ensure effective and prompt redressal of tourist grievances is the Federal Republic of Germany, where there is no tourist legislation. All complaints are serviced under the civil code. A booklet has been prepared by their Tourist Board to inform the tourist of his rights and the procedure for making a complaint to the relevant body.

It is possible to set up a grievance cell, to be administered by the Tourism Department, or the Ministry, where, by the principle of mutual adjustment, a just settlement can be arrived at and compensation paid to the tourist. Such a grievance cell should handle complaints that are beyond the scope of insurance claims. In countries where insurance is statutory, a special premium is charged to cover the claims of tourists on the basis of experience. However, some claims are bound to arise out of exclusion clauses, and a properly constituted grievance cell is normally competent to handle such complaints.

6.5.3 Law on Antiquities

The antiquities of India are covered under Antiquities and Art Treasures Act, 1972. According to the rules given in this Act, the following items come under the category of antiquities and art treasures:

i) Sculpture
ii) Painting
iii) Other works of art and craftsmanship illustrative of science, art, crafts and religion and of historical interest.

All the above items, to become antiquities, should have been in existence for not less than one hundred years.

In addition to these, all manuscripts or other documents of scientific, historical, literary or aesthetic value in existence for not less than seventy five years cannot be exported out of India.

For further clarifications and enquiries we have listed addresses of relevant authorities in different regions of India in Appendix-D.
6.5.4 Shopping Malpractices—Regulations

Tourist spending is becoming an increasingly important source of revenue generation, especially in hard currency, in most tourist-receiving countries. This particularly important in India, where the average stay of a tourist is reckoned to be 28 days. This implies that the opportunity for a tourist to shop in the different cities increases. In the items of tourist expenditure, next to transport and accommodation, shopping is the third important area.

India offers a diversity of shopping interests and attractions for tourists i.e., from inexpensive souvenirs and handicrafts to the costly variety of gems and jewellery, carpets, artefacts like ivory, precious stones, paintings etc. Notwithstanding the foregoing, the complaints commonly voiced against shopping in India relate to:

- non-adherence of quality standards,
- supplied product not matching the samples approved, and
- unscrupulous practices of touts and petty shopkeepers who mushroom around tourist spots.

Examples of a variety of complaints by tourists have been highlighted, from time to time, in the media. This aspect has also been pointed out time and again by the travel trade. Unless checked, the continuance of such a situation results in bad word-of-mouth publicity for India.

These complaints are aggravated and accentuated by lack of authentic information regarding prices, quality, standard of establishment, system of certification and recognition of shopping establishments.

Whilst bargaining is one of the pleasures of shopping, in the local ambience, which cannot and should not be denied to a tourist for the sake of its experience, it has to be recognised that at some important tourist centres in India, prices quoted and charged defy all concepts of bargaining. Some discipline needs to be enforced in this area. The image of bargaining creates other problems also. You may laugh at it but the example here is worth citing: Some one gave a friendly advice to a small group of tourists that while shopping they should start by quoting half the price as acceptable to them and they may ultimately get the thing at 40 per cent less the original quote. The group applied this to everything they wanted to have and this created odd situations. For a cold drink they would bargain for Rs. 3 instead of 6, a cup of tea they wanted at 50 paise instead of Re. 1 and so on with everyone laughing at them. And soon it was pointed out to them.

Examples of complaints frequently raised at an important tourist region pertain to non-execution or non-fulfilment of orders placed against advance or down payment for delivery of the product offered. This has been noticed with repetitive frequency in the case of carpets. A classic illustration cited is the despair of a foreign tourist who made an advance payment of $ 2000 for a carpet, which he never received. On subsequent inquiry he was informed that the stock of carpets was washed away in floods and could he send another $ 1000 to enable the execution of the order. There have been cases where the quality of carpets shown was a better one when orders were booked but when executed the quality was inferior. Legislation and regulation should be so designed as to discourage such tendencies by indicating the severity of action for indulging in such malpractices.

This also needs to be brought home to other agents concerned with tourist shopping, like taxi drivers, bus conductors, guides, couriers and others, who tend to direct tourists only to such establishments which assure them a reasonable return on the volume of business generated by their efforts. In fact they should be made to realise that such malpractices ultimately effect the image of the destination which is a loss for all in the long run.

Several establishments selling souveniers and artefacts boldly display large signs indicating that they are Government or Ministry of Tourism approved emporiums or shops. The emphasis is on the word Government, and the lettering for “approved” is in non-descript and unreadably small print. This needs to be reviewed for systems of recognition, if at all required, for avoidance of unfair practices by shopping establishments.
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Check Your Progress 3

1) Discuss the long-term impact on a destination having complaints of cheating tourists.

2) Mention the malpractices in shopping.

3) Why should a tourism professional know about the law enforcing agencies?

4) How old should the following objects be to attract the provisions of Antiquities and Art Treasures Act, 1972
   i) Manuscript
   ii) Documents of Scientific value
   iii) Sculpture
   iv) Painting

6.6 ACCOMMODATION AND CATERING REGULATIONS

Many countries have legislation covering the hospitality sector as a sequel to common law, constitutional law or penal codes enacted by Central or State Governments. The purpose of such legislation is to transform the relationship between the hotel-keeper or the restauranteer and his clients into a business contract or a consumer contract. The emphasis in the former type of contract is to foster the business relationship and enhance goodwill between the business partners. In the latter type of contract, the emphasis is on security and consumer's use of the facilities and services offered.

There is a third area of legislation that covers the classification of facilities and services offered by the hotel sector to enhance consumer protection and consumer satisfaction as well as to protect domestic trade vis-a-vis international competition. Here the emphasis of legislation is to ensure that an establishment supplies accommodation and facilities to their clients and the standards commensurate with the price charged. It is to be regretted that not much progress in this regard has been made in India. In the following Sub-sections, therefore, we shall delve mostly on the features that may be accommodated in such a legislation/regulation.
6.6.1 Legislation for Hospitality Sector

Legal duties and responsibilities covered by legislation may be as listed here:

a) Right to accept or refuse lodging to a person or a group: refusal is generally under three conditions:
   i) Improper conduct or objectionable character
   ii) Inability or refusal to pay
   iii) Minors who behave in an objectionable manner or cannot pay for services consumed.

b) Duty to protect person and property of a guest or patron. The management is not liable under the following conditions:
   i) Injury or disturbance.
   ii) Refusal to pay charges.

c) Entry of police is to be purely investigatory unless:
   i) The management makes a specific complaint.
   ii) The police determines, upon investigation, that arrest is proper.

d) Locking out of a guest is permissible under two conditions:
   i) Refusal to pay.
   ii) Overstay.

e) Acceptance of valuables for safe-keeping is permissible under the following conditions:
   i) Valuables are accepted for safe-keeping in a metal safe or vault, for which a receipt has been issued.
   ii) The value of the goods should not exceed a certain value, which is agreed upon, in writing, by the management and the guest.
   iii) The general liability of a depository for hire.
   iv) No liability where guest's negligence is established.

f) Hotel Manager’s lien is:
   i) To demand proper charges for accommodation and meals and any other extras.
   ii) On property in and around the hotel, but no stolen property in the possession of the guest.
   iii) Not intended to cover prior debts; but only the present service/facility provided to the guest.
   iv) Items under lien must be held for 60 days, whereafter they can be publicly auctioned, giving a 10-day notice which must be delivered to the guest at the residential address noted in the hotel register. Money gained in excess of the guest's liability must be paid up within six months or deposited with a competent authority along with a statement of the claim, copy of the published notice, costs and the amount received at the sale.

g) Fraud can be established under the following conditions:
   i) Using deception to acquire accommodation.
   ii) Departure without payment.
   iii) Failure to pay rental or other charges without reasonable cause.
   Penalties and their severity will depend on the number of offences.

h) Guest's right of privacy cannot be violated except under specified legal conditions.

i) Tenancy can be established by:
   i) length of stay (30 days and above).
   ii) a special agreement.
iii) existence of a permanent residence.

j) The management is responsible for: guests, invitees of guests, employees and any other persons lawfully on the premises or property.

k) High standards of care relate to:
   i) Selection and retention of employees
   ii) Accommodation facilities
   iii) Evicting guests and others
   iv) Key-control and guest room security
   v) Fire security
   vi) Lighting, maintenance, SOS call numbers
   vii) Research into common problem areas and common experience

6.6.2 Catering Regulations

In the succeeding paragraphs, the regulations relating to catering by restaurants have been briefly examined.

With the development of domestic and international tourism worldwide, standardisation in the preparation and serving of food is reflected in Hotel and Restaurant ordinances and Public Health Acts that have been extended to cover catering services in many countries. The salient features of such legislation are:
   i) Consumer protection through quality control,
   ii) Through pricing policy to comply with demand,
   iii) Vending and consumption of liquor and intoxicating beverages, keeping in view the interest of the consumer, the vendor, revenue to the State as well as conforming to social norms.

Legislation also covers the hygiene of those who are employed to handle provisions and to cook and to serve food items, since the management of an hotel or a restaurant is liable for any danger to the guest or patron's life and well-being, whilst legally on the premises.

Ordinances also cover equipment and technology, to comply with Health Laws as well as to retain the professional standards demand of catering establishments.

Legislation in the field of restaurant operations is often an extension of that in the hotel sector, as in many cases, the services are combined into one product. Therefore, restaurants also share some of the common problems that are faced by hoteliers and often the solutions are similar.

6.7 ENVIRONMENT PROTECTION AND CONSERVATION

Cultural resources, both natural and man-made, have great value for tourism. They should be properly listed and documented with the help of available technology and the concerned organisations. There is a lot of pressure on these resources and pollution emanating from different human activities, like settlements, industries, mining etc., requires special study and attention if the ancient cultural heritage of the destination is not to be damaged.

6.7.1 Environmental Concern

India has a wealth of flora and fauna, it is estimated that there are over 500 species of mammals, 2000 species of birds, 30,000 species of insects in addition to hundreds of species of aquatic and reptile life in the country.

Much of the fauna of the country is protected by the Indian Wild Life Protection Act of 1972. As a result the country has developed 66 national parks, 333 wild life sanctuaries and 35 zoological gardens.
The provisions of the Act prohibit killing or poaching of any of the protected species. The violations of the provisions of the Act attract severe punishment ranging from fine in terms of money to detentions and imprisonment for extended periods.

6.7.2 Conservation

Preservation and maintenance requires in-depth study and proper financing, since much of the ancient heritage is subject to the depredations of both natural and human factors.

Most countries have an Antiquities and Art Treasures Act, which enables National Museums to acquire items which could be stolen or smuggled out of the country. Similarly, Archaeological Survey organisations discharge the responsibility of conservation of monuments and documentary heritage. Art and craft are also brought under the museum movement, since they form the backbone of our cultural identity, and an important area of expenditure by the tourist.

Many countries indicate linkages with Town and Country planners, for the implementation of Master Plans, and for the identification of conservation zones.

A heritage-conservation area has been defined as an area of special architectural, historical and cultural interest or an area which is geographically and ecologically unique. Such areas can be small or can include whole towns, squares, streets or groups of buildings, features of archaeological interest, waterways, beaches, forests, mountains etc.

Within a designated area, the conservation of its cultural identity is an integral component of all developmental schemes. In this way, the quality of life of those living and working in such zones will improve, and they will have an increased income from crafts, trade and tourism.

**Conservation and Pollution Control Measures Suggested By WTO**

i) Providing for pedestrian zones at holiday resorts (shopping malls, public parks, playgrounds etc.)

ii) Encouraging the resident population, through contests and other activities, to decorate their houses and balconies.

iii) Co-ordinating tourist recreation with the social and cultural activities of the local population, through information and publicity campaigns.

iv) Applying multiple-use concepts of facilities wherever possible.

v) Awarding National Quality seals of approval for tourist recreation facilities to operators of accommodation units and other travel services.

vi) Many countries have also initiated the formation of Heritage Bodies and Art and Cultural funds, which then serve to identify conservation-heritage zones, and co-ordinate funding, for which tax reliefs to contributors are given by the concerned governments.

In view of the fact that the 7th Plan envisages a growth rate of 10-12% per annum in international tourism, the servicing of this projected increase in the number of tourists, would require a matching increase in infrastructure. 50 million domestic tourists per annum would also require services and facilities, perhaps at a budget or economy level. This expansion should be given weightage in the Master Plan of any city, so that tourism services are not only integrated with other activities, but its special needs are taken care of.

**Check Your Progress 4**

1) What is the purpose of legislation covering the hospitality sector?
2) Why is hygiene important in Catering regulations?

3) What does the Indian Wild Life Protection Act of 1972 deal with?

4) Write fifty words describing the effects of pollution on tourism.

6.8 LET US SUM UP

You must have realised by now how important is it to dispel myths regarding lack or even absence of any regulations in India that concern the tourists. We have given you necessary information pertaining to such regulations and we expect you to pass it on to the itinerant tourist and assure him that he will be landing in an orderly place meeting the highest standards of civilization.

6.9 KEYWORDS

EEC Countries: European Economic Community Countries.
Heritage Conservation area: Areas where national heritage is sought to be conserved.
Kaleidoscopic: Bright and interesting objects.
Restricted Area Permit: Needed for areas where entry of foreigners is restricted.
Special Entry Permit: Needed for areas which foreigners can visit after obtaining permits.

6.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) This is because of many reasons: i) unless the professional is aware of these he cannot guide others/clients. Rather the fear is that they may be misguided as happens in many cases ii) to remove misconceptions about India as to lack of information iii) to respect the laws of the land etc. See Sec. 6.1.

2) Base your answer on Sub-sec. 6.2.1.

3) Well a restricted area is one which, because of strategic importance like defence, security etc. is closed to foreigners (in some cases even to domestic tourists). As mentioned in Sub-sec. 6.2.2 the entry to these areas is through Special Entry Permis.
Permits issued by competent authority. There has been a consistent demand from the Tourism Industry to do away with restricted areas and SEPs in such zones that have tourist attractions. See Sub-sec. 6.2.2.

Check Your Progress 2

1) Read carefully Sub-sec. 6.3.1 for your answer.
2) Base your answer on Sub-sec. 6.3.2 taking into account the natural/human risks and fault oriented risks.
3) These include i) Passport ii) Visa extension form iii) Currency exchange receipts.

Check Your Progress 3

1) It will spoil the image of the destination leading to a fall in its demand amongst the tourists and the travel trade etc. See Sub-sec. 6.5.4.
2) Base your answer on Sub-secs. 6.5.2 and 6.5.4.
3) Consult Sub-sec. 6.5.2.
4) i) 75 years ii) 75 years iii) 100 years iv) 100 years

Check Your Progress 4

1) Mention the reasons listed in Sec. 6.6.
2) Base your answer on Sub-sec. 6.6.2.
3) Mention the provisions against poaching, killing and developing of national parks. See Sub-sec. 6.7.1.
4) Discuss your answer with your counsellor.
UNIT 7 STATISTICS AND MEASUREMENTS

Structure
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7.2 Statistics: Definition and Uses
7.3 Statistical Measures
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7.0 OBJECTIVES

After reading this Unit you will be able to:

• define statistics and statistical measures,
• appreciate the need for tourism statistics,
• know about the problems of statistical measurement in relation to tourism statistics and the methods of measurement,
• understand the nature of tourism statistics in India, and
• know about the relevance of tourism statistics in foreign exchange earnings.

7.1 INTRODUCTION

Tourism statistics are gathered and published by every country today. The WTO further collects it from all countries to make global appraisal and projections. Certain basic information is made available to us via these statistics which relate to different fields. At their face value some of it may appear to be useless or unnecessary. However, in reality they are relevant in many ways. This Unit, after defining statistics and measurements, highlights the need for tourism statistics. It also introduces you to the type of
Tourism System statistics collected and its relevance to tourism industry. You can use them in relation to your own enterprise or job. This can be done at both macro as well as micro levels.

### 7.2 STATISTICS : DEFINITION AND USES

The word ‘statistics’ is used both as singular and plural nouns. In the plural sense, it refers to numerical facts pertaining to a body of objects or people. As a singular noun, it stands for the science that deals with the methods of collection of data and of the ways of analysing them and drawing inferences.

Statistics is a useful tool for the measurement of any quantitative phenomenon. One such tool is finding of averages. For example, one can measure the average height for students in a class or the average number of visitors to a monument per day, the average number of guests arriving at a hotel per day or the average turnover of a souvenir shop at a tourist place. In the foregoing illustrations all the students in a class, all the visitors to a monument, all the guests arriving at a hotel or the turnovers for every day are called the populations in statistical studies. However, statistics cannot be used for the measurement of qualitative phenomenon like the colour of a person or the taste of oranges.

### 7.3 STATISTICAL MEASURES

The most commonly used statistical measures for assessment and comparisons are:

- totals
- averages
- quartiles and fractiles
- variances and deviations
- point estimates
- confidence intervals
- indices
- rate and ratios
- coefficients, and
- multipliers

The totals refer to the count of all the units or the aggregate of all the values of the units in the population or the sample. For example, the number of tourists who visited a particular place during a year and the total expenditure incurred by them at the place of visit are ‘totals’.

The aggregate of all the units in a system or region is called the population and a part of it is called a sample. The list of all the tourists to a particular monument in a day constitute a population and a few of the tourists selected for a survey on the same day make a sample.

An average is the most representative value of a sample of units or the population. The most commonly used averages are arithmetic mean, median, mode, geometric mean and harmonic mean and are known as measures of central tendency.

The arithmetic mean is the value per unit. It is obtained by dividing the ‘total value’ by the total number of units. The average duration of stay of tourists at a particular place, average expenditure per tourist, etc., are best measured by using arithmetic mean.

Median is the middle most value if all the units are arranged in ascending or descending order. It is useful for the measurement of average room tariff and occupancy rates of hotel rooms.

Mode is the most frequently occurring value amongst all the values. While planning certain facilities like conference halls, river rafting equipments etc., it is important to judge the most common size of the groups demanding such facilities. The mode value is thus a very useful measure in such cases.

Geometric mean is the nth root of the product of all the values of observations in a study. Harmonic mean is the reciprocal of the arithmetic mean of the reciprocals of the observed values.
Quartiles and Fractiles are the values of the variables corresponding to one-fourth and one-tenth of the cumulative frequencies after arranging the values in ascending or descending order.

The variances and deviations are known as measures of dispersion. They provide valuable information on the reliability of averages and other estimates. The common measures of dispersion are range, quartile deviation, mean deviation and coefficient of variation:

- **Range** is the difference between the largest and the smallest value assumed by a variable. It is often used in tourism sector to indicate the variation in hotel tariff, expenditure levels and duration of stay of tourists,

- **Quartile deviation** is one-half of the difference between first and third quartiles,

- **Mean deviation** about median is the arithmetic mean of the absolute values of deviations of observations from median, and

- **Variance** is the sum of squares of deviations of the observed values from arithmetic mean, divided by the total number.

**Standard deviation** is the square root of variance. The percentage ratio of standard deviation to the arithmetic mean is the coefficient of variation.

**Point estimates** are the likely values of a population parameter obtained from a sample of observations. For example, the average expenditure per tourist in a place is normally obtained as a point estimate by surveying a sample of tourists.

**Confidence intervals** are the intervals in which the value of a population parameter is expected to lie with a specified level of confidence or probability. These are also obtained from a sample of observations as in the case of point estimates.

**Indices** are dimensionless quantities used to measure changes over a period of time and geographical regions. The indices normally being used are price indices, growth indices, seasonality indices etc. Tourist price indices are often worked out to measure the changes in prices as applicable to tourists. Growth indices are used to measure the past trends in tourist traffic, receipts etc. Seasonality indices of tourists arrivals are used to formulate marketing strategies and resource management decisions.

**Rates** indicate value per unit item or growth per unit time. The rates of growth are often expressed in percentage terms. Ratios are fractions expressed usually in percentages.

**Coefficients** are also dimensionless quantities used to measure certain phenomenon or relationship. For example, correlation coefficient is used to measure the degree of linear relationship between two or more variables and regression coefficients are used to predict the value of one variable based on the values of other variables.

**Multipliers** are certain numbers used to obtain total impact or value by multiplying the estimated direct impact or sample value respectively.

### Check Your Progress 1

1) What do you understand by statistics?

2) How is arithmetic mean obtained?
3) Which of the following statements are right or wrong? Mark [✓] or [✗].

a) Indices help in developing marketing strategies.

b) Qualitative phenomenon is measured through statistics.

c) Most countries do not publish Tourism Statistics.

7.4 NEED FOR TOURISM STATISTICS

Tourism is a social phenomenon with significant economic consequences. The measurement of its volume and distribution along with its impact on specific geographic areas is, therefore, important for:

- having a proper perspective of the tourism sector, and
- planning its future development.

The specific objectives of having tourism statistics are to:

- provide a proper perspective for the activity to guide policy decisions,
- provide an objective basis for development planning,
- provide quantitative information for evolving marketing strategies, and
- facilitate investment decisions.

7.4.1 Understanding the Perspectives

In order to have a proper perspective of tourism in relation to any particular destination or region, it is necessary to evaluate its magnitude and significance. While the magnitude is measured in terms of volume of tourist traffic, its significance is evaluated in terms of tourism receipts, value added tax revenue, employment, etc.

The basic measurement of volume is ‘tourist visits’ or ‘tourist arrivals’. It is the total number of tourist arrivals at the given destination over a period of time—usually one whole year.

The second main volume statistics is the average length of stay which is measured in terms of days or nights at the destination. It provides a general indication of the nature of tourist traffic and the demand for tourist accommodation.

The best single overall indication of the magnitude of tourist traffic to any destination is the total tourist days or nights. It is obtained by multiplying the tourist arrival figures with the average length of stay.

The value of tourism to an economy is mainly reflected in the tourist expenditure at the destination or the tourism receipt. It encompasses expenditures on a wide variety of items, ranging from the purchase of consumer goods and services inherent in travel and stays to the purchase of small durable goods for personal use as well as souvenirs and gifts for family and friends.

In the case of international tourists, the payments made in respect of journeys to and from the destination normally do not accrue to the destination. They are therefore, not included in the statistics of tourism receipts. However, fare payments by foreign visitors to national carriers for international transport represent income to the country visited. They are, therefore, evaluated separately and included in the tourism receipts.

The tourist expenditure in the case of domestic tourists includes the cost of travel to and from destinations as well as expenditure at the place of visit. It is, thus, the total amount spent by tourists while away from home including advance payments on such items as fares and accommodation.

The average expenditure per tourist or per day is obtained by dividing the total tourist expenditure by the number of arrivals or the number of tourist days. While global estimates of tourist expenditure provide a general indication of the value of tourism to an economy, the averages provide general indications of the type and quality of the traffic to a destination.
The statistics of value added, tax revenue and employment due to tourism are obtained through industry surveys. The difference between the total value of output at ex-factory price and the value of material inputs is termed as value added. It is the sum total of factor payments in the form of rent, wages and salaries, interest and profit. The indirect taxes accruing to the Government from tourists and tourism related industries represent the tax revenue. The number of persons employed in hotels, restaurants and other tourism related industries constitute direct employment due to tourism. The employment generated in other sectors of the economy due to the multiplier effect of tourism is termed as indirect employment.

7.4.2 Development and Planning

The planning for the development of tourism infrastructure involves an objective assessment of the existing demand for various tourism products and their levels of supply. It is also necessary to make realistic forecasts of both demand and supply based on past trends and policy guidelines.

The demand can be either actual or potential. The demand which has already fructified into tourist visits is the actual demand and that which is yet to be fructified is potential demand. The demand statistics, particularly tourist arrivals and tourist nights, have to be compiled by type of accommodation, means of transport, places visited and facilities availed to estimate the demand on specific tourism products. Potential demand is usually assessed in terms of travel plans of target populations, positive response rates to advertisements, levels of awareness etc. through market surveys at the source markets.

The most important consideration in the planning of tourism projects in specific locations is the capacity to absorb tourism. It is assessed through various methods like tangible resources limits, tolerance by host population, satisfaction of visitors, excessive rate of growth or change, cost-benefit analysis and systems approach. The application of any of these methods for the measurement of carrying capacity requires massive data on tourist consumption patterns, resource constraints, changes in the behavioural patterns of local population, satisfaction levels of visitors etc. Such data are usually gathered through special surveys of both the host community and the visitors.

7.4.3 Evolving Marketing Strategies

Tourism marketing is a follow-up of planning and development to maximise the economic gains from tourism (see Units 20 & 21). The identification of marketing segments, product positioning and evolving of effective communication and marketing strategies are the essential elements of a marketing plan. The preparation of such marketing plans involve the collection and analysis of large volumes of data on various aspects including global trends, market segments, tourist profiles, destination features, strengths and weaknesses of the product etc.

The global trends on international tourism are usually obtained from the publications of international agencies like World Tourism Organisation, Pacific Asia Travel Association etc., and those of the originating countries. The trends on domestic tourism are obtained through tourist surveys or periodical statistical reporting systems.

The market segmentation analysis involves the segmentation of total volume of tourist visits and nights by country/place of origin, purpose of visit and psychographic groups. The formations of psychographic groups are based on their demographic profiles and behavioural patterns. The statistical variables usually being analysed in this regard include demographic particulars like age, sex, education, occupation, nationality, country/place of residence, ethnic origin; personal habits like reading, film viewing, participation in sports and games etc; and travel habits like taking package tours, travelling with family and friends, accommodation and means of transport used, participation in local events, travel planning and motivations. The destination features in terms of attraction and facilities available and types of tourists visiting along with the strengths and weaknesses of tourism products offered by a destination or country also need to be assessed for directing product development and marketing policies.

7.4.4 Facilitating Investment Decisions

Investment in any industry, including tourism, is always based on perceptions of return on investment and pay back periods. The calculation of these parameters with a reasonable degree of accuracy requires statistical data on profitability of existing units,
Tourism Industry occupancy rates, industry profiles etc. These statistics are usually collected through surveys of existing units.

Check Your Progress 2

1) Mention the objectives behind having tourism statistics.

2) Discuss the relevance of statistics for planning in tourism.

3) Which of the following statements are right or wrong? Mark [✓] or [✗].
   i) Tourism receipts statistics include payments made in respect of journey to and from the destination by international tourists.
   ii) Average expenditure is obtained by multiplying total expenditure by number of arrivals.
   iii) Multiplier effect of tourism is called indirect employment.
   iv) Tourist surveys are done to know the trends in domestic tourism.

7.5 PROBLEMS OF MEASUREMENT

The measurement of tourism phenomenon poses several problems. The identification of tourists from other travellers and the local population is a major task in the case of both international and domestic tourists. The problem is more severe in respect of domestic tourists as there are no border controls and administrative checks in their movements. International tourists are usually differentiated with the help of travel documents like passports, visas and embarkation/disembarkation cards. These documents are, however, not designed for the sole purpose of collecting tourism statistics and as such their use is often restricted by other agencies and definitional problems. Very often, cooperation of tourists is required to gather statistics through surveys. The reliability of such measurements thus depends on the responses given by the tourists.

A major problem in the measurement of economic impact of tourism is that the industry itself is not well defined. The tourism industry consists of several segments which cater to both tourists and the local population. It is also invariably not possible to make definite allocations between the two groups of consumers. Special statistical programmes are therefore required to resolve these problems of identification and allocation.

7.6 METHODS OF MEASUREMENT

The statistical measurements of tourist flows and their impact are generally obtained by surveying the visitors or the tourism production units at one or more of the following places:

- Place of visit or destination.
- Points of travel between the destination and the origin.
- The usual place of residence.
The different kinds of surveys/studies that can be carried out in each of the above places are the following:

i) **Surveys/Studies at Destination**
   - Counting by controlling the visitors at tourist sites.
   - Surveys of visitors at tourist sites.
   - Census and registration of accommodation units.
   - Survey of tourism production units.

ii) **Surveys at Points of Travel (between the destination and the origin)**
   - Counting by administrative controls at the entry points.
   - Survey of passengers at the entry points.
   - Survey of passengers at some points along their journey.

iii) **Survey at the Usual Place of Residence**
   - Household surveys of residents in the country.
   - Survey of companies, public administration units and institutions.
   - Survey of tourism intermediaries like travel agents, tour operators, air taxi operators, tourist transport operators etc.

The choice of any one or a combination of the above methods for the estimation of volume of tourism has to be based on the ultimate use of such estimates, operational convenience, levels of accuracy desired and resources available. However, the methods generally used are enumeration and surveys of visitors at the entry points, survey or census of accommodation units and household surveys of residents. The first method consists of counting the visitors from travel documents like embarkation/disembarkation cards at the entry points. It is widely used in the case of international tourists. The surveys of tourists at the entry points at the time of their departure are useful for obtaining profiles and behavioural patterns of international tourists apart from obtaining the total count of such visitors.

Surveys or census of accommodation units are also often being employed for obtaining estimates of number of visitors and duration of stay of both international and domestic tourists at various places of visit. The household surveys are particularly useful for assessing the volume and distribution of domestic tourism, though they are often costly and time consuming.

Tourist expenditure statistics are obtained either by surveying the tourists or indirectly from the accounts of hotels, restaurants and other providers of tourism services. The receipts from foreign tourists can also be estimated from the records of banks on foreign currency exchanges.

### 7.7 WORLD TOURIST ARRIVALS AND RECEIPTS

Systematic measurement of tourist traffic is a recent phenomenon. It began only towards the beginning of twentieth century when the volume of international tourist traffic began to reach significant proportions. The measurements were, thus, confined only to international visitors. The countries which emerged as tourist destinations and started estimating the traffic in the beginning of the century were Austria, Switzerland and Italy. The foreign visitors received by these countries during 1929 were estimated to be 2.15 and 1.25 million respectively. The global estimates of tourist arrivals and receipts are, however, available only from 1950. The total arrivals during that year were about 25.28 million who spent US $2.1 billion. There has been a phenomenal growth in tourist traffic since then and the year 1992 recorded a total of 476 million world arrivals with an estimated receipt of US $279 billion. According to WTO’s latest figures the historic half billion mark was achieved in 1993.
7.8 TOURISM STATISTICS IN INDIA

Being a new entrant in the Tourism Industry, India does not have a well developed statistical system. The earliest attempt for the collection of tourist arrival data was made only during 1951 when a count of the foreign visitors was taken on the basis of customs clearance documents. There has been considerable increase in statistical activities on tourism since then. The details of statistics presently available are described in the following paragraphs.

7.8.1 International Tourist Arrivals

The total arrivals during the year 1951 were 16,829. It took 25 years since then for tourist arrivals to cross half-a-million mark in 1976. Ten years later in the year 1986, the tourist arrivals registered a remarkable growth of 29.1 per cent and crossed the one million mark. These figures did not include the nationals of Pakistan and Bangladesh as the arrivals from these countries were not counted in the earlier years up to 1980. The total arrivals during 1992 were 18,67,651 including 4,32,914 nationals of Pakistan and Bangladesh.

The tourist arrivals in India are counted from disembarkation cards filled by the tourists at the time of their entry into the country. The total count is obtained by counting the relevant disembarkation cards. The details contained in these cards are transcribed into data sheets, entered into computers and tabulated centrally by the Department of Tourism with the assistance of National Informatics Centre (NIC).

7.8.2 Duration of Stay

The average duration of stay of foreign tourists in India by nationalities is estimated on the basis of a sample of embarkation cards. The samples are selected linear systematically with an interval of selection of ten. All the embarkation cards of foreigners travelling by each flight are first arranged nationality-wise and a card is selected at random from the first ten. Every tenth card in the bundle is then selected in the sample. The date of arrival is noted from the immigration stamp and date of departure is available from the date of flight. The difference between the two is the duration of stay. The data were tabulated manually till 1990 and thereafter by using computers. The average length of stay of foreign tourists in India at present is about 29 days.

7.8.3 Indians Going Abroad

The count of Indians going abroad (outbound) is obtained from the embarkation cards collected at the ports/checkposts at Bombay, Calcutta, Delhi, Madras, Trivandrum, Tiruchirapalli, Rameswaram, Nagapattinam, Attari Road, Haridaspur and Jogbani. Persons departing from other minor ports/checkposts are not counted. These figures are not disaggregated either purpose-wise or destination-wise. The figures thus include even those going abroad for settlement and employment.

7.8.4 Domestic Tourist Statistics

The statistics of domestic tourists along with the data on foreign tourists visiting different places are collected from accommodation establishments. The State Governments are required to collect the details of guests checked in the accommodation establishments at each place every month and forward the same to the Central Department of Tourism. In the case of foreign tourists, the nationality-wise details are also collected in respect of some of the major nationalities. These figures are aggregated over centres to get the State totals. On the basis of these figures, the total number of domestic tourist visits in India in the year 1991 were about 66.44 million.

7.8.5 Foreign Tourist Surveys

Foreign Tourist Surveys are being taken-up by the Central Department of Tourism almost once in five years. The latest survey in this regard was conducted during 1988-89. These surveys give information on the following:

- Demographic profile of tourists.
- Evaluation of tourism products of India and satisfaction levels of tourists.
- Motivational factors and purposes of visits of tourists.
• Places of visit of foreign tourists.
• Expenditure pattern of foreign tourists in India.

7.8.6 Ad hoc Surveys
Ad hoc surveys like tourism potential surveys of different States and regions and co-operative market research studies in selected source markets are also often conducted for gathering data on present levels of tourist flows, infrastructural availability, market trends, etc.

7.9 ESTIMATES OF FOREIGN EXCHANGE EARNINGS

The estimates of foreign exchange earnings from tourism are worked out both by the Department of Tourism and Reserve Bank of India. The Reserve Bank of India (RBI) work out the estimates as a part of balance of payment statistics. The basic data used for the purpose are the returns furnished by the “Authorised Dealers” of foreign exchange. All foreign exchange transactions of Rs. 50,000 and above are categorised as classified receipts and the authorised dealers provide information on the nationality of the beneficiary, currency and purpose for each such transaction. However, in the case of transactions below Rs. 50,000, the figures are clubbed together and reported as unclassified receipts. These unclassified receipts are apportioned according to purpose and country through a survey of unclassified receipts carried out by the RBI every year. These statistics are not available state-wise and region-wise.

Quick estimates are worked out by the Department of Tourism by multiplying the number of tourist arrivals in a year by the estimated per capita expenditure of a foreign tourist in India. This is obtained by making adjustments for price changes in the average expenditure as revealed by RBI estimates for the latest available year or foreign tourist surveys. The wholesale price indices and average exchange rates are used for the purpose. In the case of nationals of Pakistan and Bangladesh the quantum of foreign exchange being released by the respective Governments for visiting India is used in place of per capita expenditure. These are US $ 45 and 180 respectively. The estimated foreign exchange earning from tourists during 1992 was Rs. 3916 crores.

Check Your Progress 3
1) How is the duration of stay of foreign tourists estimated?
2) Mention the areas about which information is provided through Foreign Tourist Surveys.
3) Discuss the problems of measurements of Tourism Statistics.
**7.10 LET US SUM UP**

The Unit has familiarised you with the relevance of statistics and measurements in tourism. It has bearings on future plans, destination development, indirect employment, etc. Besides, it also acquainted you with the most commonly used statistical measures. Problems faced in measuring tourism statistics were also touched upon in the Unit to give you an idea of the limitations faced in this regard. The Department of Tourism, Government of India is the place from where such statistics can be obtained. State Tourism Departments also conduct surveys and provide tourism statistics.

**7.11 KEYWORDS**

Accrue: To come naturally  
Dispersion: Scattering  
Encompass: To bring within the fold  
Fractions: Parts of a whole  
Fructify: Bear results  
Harmonic: Quantities which are in arithmetical progression  
Magnitude: Amount  
Parameter: Measurable feature  
Perspective: View from a particular point  
Regression: Backward movement  
Variable: That can be adapted

**7.12 ANSWERS TO CHECK YOUR PROGRESS EXERCISES**

**Check Your Progress 1**

1) Statistics is a useful tool for the measurement of any quantitative phenomenon. For more details see Sec. 7.2.

2) The arithmetic mean is the value per unit. For the method to obtain arithmetic mean see Sec. 7.3.

3) (a) ✓ (b) x (c) x

**Check Your Progress 2**

1) See Sec. 7.4.

2) See Sub-sec. 7.4.2.

3) (i) x (ii) ✓ (iii) ✓ (iv) ✓

**Check Your Progress 3**

1) It is estimated on the basis of a sample of embarkation cards. More details are given in Sub-sec. 7.8.2.

2) See Sub-sec. 7.8.5.

3) See Sub-sec. 7.8.1.
SOME USEFUL BOOKS FOR THIS BLOCK


ACTIVITIES FOR THE BLOCK.

Note: Discuss the results of these Activities with your Counsellor.

Activity 1

You are entertaining a group of ten tourists from abroad who are nationals of Britain. Fifteen days from now the group visa of this group is expiring. But the group wants to stay in India beyond this period. Write an application to the relevant authority seeking an extension of the group visa for another fifteen days.

Activity 2

One member of the group mentioned in Activity 1 visits a shop in your area where he is offered an antique piece of sculpture for sale. He wants to ascertain whether the purchase of this piece will attract the provisions of the Antiquities Act of 1972. Whom will you approach in this connection and how?

Activity 3

Five members of a group want to visit Gangtok in Sikkim and the remaining five want to visit Port Blair in Andaman-Nicobar Islands. Write applications to relevant authorities for obtaining special permits for the same.
APPENDIX A

The salient features of the **British Tourism Act**, **Singapore Tourism Act** and **Ontario Tourism Act** are given below briefly:

a) In Britain, the Tourism Act gave statutory authority to the British Tourist Authority for the promotion of tourism. It co-ordinated the activities of the three National Tourism Boards set up for England, Scotland & Wales. The English Tourist Board was further divided into 12 Regional Boards. These Boards function in partnership with local government and trade interests in their regions. The statutory responsibilities also cover tourism matters that affect Britain, at the governmental level, the provision and improvement of tourist amenities, and to take steps to spread overseas visitors to destinations throughout Britain.

b) The Tourism Act of Ontario also empowers a commission to cover all matters connected with or affecting the tourism industry, including accommodation facilities, services affected and advertised and extends to a study of the resources and attractions of Ontario.

c) The Tourism Act of Singapore aims at the setting up of a Tourist Promotion Fund to co-ordinate activities of persons providing services to tourists to regulate standards, to licence tourist enterprises and to make recommendations to the Government for Tourism Promotion. An annual report of the Tourism Promotion Board has to be presented to Parliament, since it authorises public funding.

APPENDIX B

**Indian Missions and F R R Os**

**Australia**
3-5 Moonah Place, Yarralumla, ACT 2600,
Tel: (062) 733999

**Bangladesh**
120 Road 2, Dhanmodi Residential Area, H. No. 129.
Dhaka, Tel: 507670

**Canada**
10 Springfield Road, Ottawa K1M 109, Tel: 7443751

**Japan**
2-11, Kudan Minami 2-Chome, Chiyodaku, Tokyo,
Tel: 2622391

**Kenya**
Jeevan Bharati Building, Harambee Avenue, Nairobi,
Tel: 22566

**Malaysia**
United Asian Bank Building, 19, Malacca Street,
Kuala Lumpur, Tel: 221766

**Myanmar**
545-547, Merchant Street, Yangon, Tel: 15933, 16381

**Nepal**
Lainchaur, GPO Box 292, Kathmandu, Tel: 211300
Netherlands
Buitenrustwg 2, The Hague, Tel: (070) 469771

New Zealand
180, Molesworth Street, Princess Towers, Wellington
Tel: 736390

Pakistan
482-F, Sector G-6/4, Islamabad, Tel: 821049

Singapore
India House, 31 Grange Road, Singapore, Tel: 7376777

Sri Lanka
3rd Floor, State Bank of India Building, 18-3/1 Sir Baron Jayatilaka Mawatha, Colombo,
Tel: 21604, 22788

Switzerland
Weltportstr 17, 3015 Berne, Tel: (031) 440193

Thailand
46, Soi Prasarmtr, Sukhumvit 23, Bangkok,
Tel: 2580300

UK
India House, Aldwych, London WC2B4NA,
Tel: 8368484

USA
2107. Massachusetts Ave NW, Washington DC 20008,
Tel: 9397000

Germany
Adenaveralle 262, 5300 Bonn, Tel: 54050

Foreigners’ Regional Registration Offices (FRROs) in New Delhi, Bombay and Calcutta
and the Chief Immigration Officer in Madras handle visa renewals as well as permits
for Restrict Areas, viz., Andaman Islands, Sikkim, Assam, Ladakh, Lahaul Spiti etc.

New Delhi
FRRO, 1st floor, Hans Bhawan, Near Tilak Bridge, Bahadur Shah Zafar Marg, New
Delhi-110 002
Tel: 3319781, 3318179

Bombay
FRRO, Office of the DCP, Special Branch II, CID Head Office (Annexe 2), Crewford
Market, Bombay-400 034
(Tel: 2620455, 2621169)

Calcutta
FRRO, 237, Acharya Jagdish Bose Road, Calcutta-700 020 (Tel: 443301, 440549)

Madras
Chief Immigration Officer, 9 Village Road Nungambakkam, Madras- 600 034
(Tel: 477036)
Visas can also be renewed in all State Capitals and District Headquarters by an application to the Police Commissioner’s Office/Senior Superintendent of Police/Superintendent of Police.

APPENDIX C

Visa Offices For Neighbouring Countries
1) Afghanistan: from the Embassy at
   5/50-F, Shantipath, New Delhi-110 021
   (Tel: 603331 Telex: 031-72253)
2) Bhutan: Bhutan Tourism Corporation,
   P.O. Box No. 159, Thimphu, Bhutan which organises group tours of six or more members will also take care of visa formalities
3) Myanmar: from the Embassy at 3/50-F, Nyaya Marg, New Delhi-110 021
   (Tel: 600251 Telex: 031-72224 MEND IN)
4) Nepal: from the Royal Nepalese Embassy,
   Barakhamba Road, New Delhi-110 001
   (Tel: 3329969 Telex: 031-66283 NEMB IN Fax: 332 6857)
5) Thailand: from the Embasies in New Delhi and Calcutta:
   56-N, Nyaya Marg New Delhi-110 021
   (Tel: 607807 Telex: 031-72275 THAI IN
   Fax: 6872029)
   18-B Mandeville Garden, Ballygunj Calcutta-700 019 (Tel: 460836)
6) Sri Lanka: Most westerners do not need a visa

APPENDIX D

Authorities For Antiquities Act

New Delhi
Director General, Archaeological Survey of India,
Janpath, New Delhi-110 011
(Tel: 3019451, 3018848 Telex: 031-66242 ASI-IN)

Bombay
Superintending Archaeologist, Antiquities,
Archaeological Survey of India, Sion Fort, Sion
Bombay-400 022 (Tel: 4071102)

Madras
Superintending Archaeologist, Archaeological Survey of India, Madras Circle, Fort St. George,
Madras-600 009
(Tel: 5603967, Telex: 041-6837 ASSC IN)
Calcutta
Superintending Archaeologist, Archaeological Survey of India, Calcutta Circle, 27 Biplabi Trailokya Maharaj Sarani, Narayani Building, Calcutta-700 001
(Tel: 261933, Telex: 021-5340 ASCC IN)

Bangalore
Superintending Archaeologist, Archaeological Survey of India, Bangalore Circle, No. 364, 16th Main, 4th T. Block, Jayanagar, Bangalore-560 041
(Tel: 655901, Telex: 0845-8845 ARCH IN)

Bhubaneswar
Superintending Archaeologist, Archaeological Survey of India, Bhubaneswar Circle, Old Town, Bhubaneswar-751 002
(Tel: 56575 Telex: 0675-393 ODRA IN)

Srinagar
Superintending Archaeologist, Archaeological Survey of India, Srinagar Circle, Mintoo Building, Raj Bagh, Srinagar (Tel: 32758 Telex: 0375-349 ASOI IN)

Note: Addresses and telephone numbers given in the Appendices are based on January 1994 information.
CODE FOR ENVIRONMENTALLY RESPONSIBLE TOURISM

The PATA Code urges Association and Chapter members and their industry partners to:

- **ADOPT** the necessary practices to conserve the environment, including the use of renewable resources in a sustainable manner and the conservation of non-renewable resources;

- **CONTRIBUTE** to the conservation of any habitat of flora and fauna, and of any site whether natural or cultural, which may be affected by tourism;

- **ENCOURAGE** relevant authorities to identify areas worthy of conservation and to determine the level of development, if any, which would ensure those areas are conserved;

- **ENSURE** that community attitudes, cultural values and concerns, including local customs and beliefs, are taken into account in the planning of all tourism related projects;

- **ENSURE** that environmental assessment becomes an integral step in the consideration of any site for a tourism project;

- **COMPLY** with all international conventions in relation to the environment;

- **COMPLY** with all national, state and local laws in relation to the environment;

- **ENCOURAGE** those involved in tourism to comply with local, regional and national planning policies and to participate in the planning process;

- **PROVIDE** the opportunity for the wider community to take part in discussions and consultations on tourism planning issues insofar as they affect the tourism industry and the community;

- **ACKNOWLEDGE** responsibility for the environmental impacts of all tourism related projects and activities and undertake all necessary responsible, remedial and corrective actions;

- **ENCOURAGE** regular environmental audits of practices throughout the tourism industry and to encourage necessary changes to those practices;

- **FOSTER** environmentally responsible practices including waste management, recycling, and energy use;

- **FOSTER** in both management and staff, of all tourism related projects and activities, and awareness of environmental and conservation principles;

- **SUPPORT** the inclusion of professional conservation principles in tourism education, training and planning;

- **ENCOURAGE** an understanding by all those involved in tourism of each community's customs, cultural values, beliefs and traditions and how they relate to the environment;

- **ENHANCE** the appreciation and understanding by tourists of the environment through the provision of accurate information and appropriate interpretation; and

- **ESTABLISH** detailed environmental policies and/or guidelines for the various sectors of the tourism industry.