

## Chapter 1

India has always been considered a fascinating and exotic tourist destination on account of the rich and varied attractions that the country has to offer. Right from monuments of stone and marble that speak eloquently of bygone millennia, to the dense forests and deep blue seas that beckon the most jaded traveller, India has everything that can appeal to the discerning tourist. This is a health care destination that has nurtured yoga and Ayurveda for centuries, a shopping destination that offers exquisite handicrafts and handlooms, a cuisine destination with its aroma and flavours...and so much more. In the last decade, Rural Tourism has been added to the bouquet of tourism products, as it is culturally and environmentally sustainable. The issue under consideration is, how to make it more effective and maximize its socio-economic benefits for the rural population.

Tourism has significant economic implications, other than being symbolic of India's pride in her heritage and culture. It contributes significantly to direct and indirect employment, and includes a wide variety of services in its ambit. In absolute numbers, the total number of tourism jobs in the country increased from 38.6 million in 2002-03 to 49.8 million in 2007-08. Tourism also plays an important role in the country's foreign exchange earnings, as its share in India's export of services accounted for 13 per cent of the total export of services in 2009-10<sup>1</sup>.

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<sup>1</sup> [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

### 1.1 Statement of the Problem:

In India, Tourism's contribution to the GDP was 5.9% in 2007-08, whereas globally it contributed 10.4 % to the GDP<sup>2</sup>. With a view to ensuring Inclusive Growth, the National Tourism Policy has emphasised development of Rural Tourism destinations. A visionary scheme was conceptualised in 2002-03 by the Ministry of Tourism, which was extremely forward looking, in terms of setting out an agenda for promoting Equitable Growth, much before this was articulated as the development philosophy by the Government of India across sectors. However, the Rural Tourism projects sanctioned thereafter have not been notably successful in contributing to the local economy.

### 1.2 The Issue:

In order to address the problem stated above, a nuanced solution has to be evolved. Rural Tourism is sustainable both from the environmental and cultural perspective, and needs an integrated strategy. It is a Greenfield area for the Tourism sector, not just in India, but across the globe. There are no established models in the developing world, so there has to necessarily be concurrent learning followed by mid-course correction, to maximize the socio-economic impact of Rural Tourism in India. This dissertation proposes to take an overview of the scheme, analyse the gaps, and recommend an Action Plan thereafter.

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<sup>2</sup> Report of the Planning Commission's Steering Committee on Tourism for the 11<sup>th</sup> Plan

### 1.3 Background:

Tourism is neither a Union subject, nor a State subject, nor does it figure in the Concurrent List. The sector has been state driven, and different state governments, with varying priorities, have tried to ensure destination development by focusing on infrastructure creation. In a federal structure, conceptualizing a scheme is only the first step to success. Bringing all stakeholders on board for execution and sustained management of the product, is the real issue. From Government's point of view, it is equally important to ensure that the Strategy is an Integrated one.

One of the major challenges before the tourism sector is how to ensure inclusive growth. Traditionally, tourism has been considered elitist, in that it caters to luxury travelers, and includes in its ambit hotels, airlines and the like, with no space for the common man, especially the rural populace. Keeping this in mind, the Ministry of Tourism launched the Rural Tourism scheme in 2002-03, so that it would benefit the vulnerable and marginalized sections of society, the only pre-requisite being that the rural tourism site should have some intrinsic tourist attraction. Rural tourism has been defined in the National Tourism Policy as, 'any form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals for a more

enriching tourism experience'. To date, 183 Rural Tourism projects have been sanctioned in different parts of the country.<sup>3</sup>

#### 1.4 Research Questions:

The Research Questions are as follows:

- What is the status of Rural Tourism in the country?
- How can Rural Tourism in India fulfill its potential as an engine for Inclusive growth?

#### 1.5 Methodology:

The scope of the study is specifically Rural Tourism in India. The study is descriptive and exploratory in nature. The sources of data collection are both primary and secondary. The primary sources are interviews, wherein the opinions of professionals, officials from the government, and tourists themselves, have been sought. Secondary data, from Articles, Publications and Journals has been studied and analysed as well. Case studies of Rural Tourism projects are also a source of primary data.

#### 1.6 Significance of the Study:

The dissertation will use the management framework to analyse the gaps in the existing strategy for development of Rural Tourism, and will therefore come up with new insights into the situation. The schematic weaknesses, the

<sup>3</sup> Annual Report of the Ministry of Tourism 2011-12

shortcomings in the implementation and the factors which have not been taken into account at all, would be analysed. It will be a useful document for policy makers because it will have both theoretical inputs as also inputs from field study. The research document will spell out an Action Plan that will serve as a guide for Rural Tourism practitioners at the policy level.

### **1.7 Limitations:**

The thesis has been written over a period of only six months and therefore an extensive research was not possible within this time frame. Notwithstanding that, the dissertation has done a stakeholder analysis and using the SWOT framework, has thrown up critical issues pertaining to the Rural Tourism scheme, together with key recommendations.

### **1.8 Chapter outline:**

The chapters of the dissertation are as follows:

1. The Research Objective
2. Literature Review: Tourism Statistics at a Glance, Evaluation cum Impact study on Rural Tourism, Planning Commission's Strategy Paper for Twelfth Plan; Schemes of Tourism Ministry
3. Overview of Tourism: Tourism Products: Culture, Adventure, Eco, Medical, MICE and Rural Tourism; Incredible India campaign
4. Case Studies on Rural Tourism
5. Major findings
6. Assessment of the Development Environment—Stakeholder analysis.

7. SWOT analysis of the proponent, Ministry of Tourism, Government of India

8. Conclusions and Recommendations

Literature Review

By the issues and challenges faced by Rural Tourism, it is inferred that the potential of Tourism as appreciated from the global context, and from the development strategy of the Government be analysed through a discussion of its plans and schemes. This chapter aims to discuss the key objectives and areas of the economic impact of Tourism such as India Foreign Exchange at a Glance, and the Planning Commission's Approach to Tourism in the Twelfth Plan. An Evaluation was invited from a Commission by the Ministry for Rural Tourism, together with an analysis of the competitiveness of India as a Tourism destination vis-à-vis other countries, have also been done. It is understood the key issues faced up regarding Tourism in terms of general and Rural Tourism in particular. Finally, the plans and policies of the Ministry of Tourism have been given an insight to understand the Government's development strategy.

2.1. 2011 - The year with the 2011 as a Glance

The tourism sector in India has grown remarkably in the last decade with the number of foreign arrivals increasing from 2.94 million in 2001 to 5.2 million in 2011 and the foreign exchange earned as depicted a steady growth by value of tourism from US \$3198 million to US \$10994 over the same period. In same terms, savings from tourism amounted to Rs. 15003 crore in 2001, and grew to Rs. 77581 crore in 2011. This is certainly a very impressive record of