

Reducing poverty through tourism

INTERVIEW WITH KUMARI SELJA

MINISTER FOR HOUSING, URBAN POVERTY ALLEVIATION AND TOURISM, INDIA



KUMARI SELJA

was educated at the Convent of Jesus and Mary School in New Delhi and holds a Masters degree in Philosophy from Punjab University. One of the youngest members of the Council of Ministers, she is widely traveled and has contributed enormously to bringing the housing problem of the urban poor into focus through the launch of the India Urban Poverty Report, exploring the relationship between urbanisation, economic growth and urban poverty. She is a long-standing and passionate campaigner on behalf of the poor, marginalised and disadvantaged groups in Indian society.

How do you see India's tourism industry developing over the coming decade?

Tourism in India is one of the key drivers of the country's economy, contributing more than 6 per cent of GDP and providing employment for around 50 million people. The benefits of tourism encompass the highly skilled to semi-skilled segments of service providers and with the growing emphasis on rural tourism, a concerted effort has been made to bring the rural strata of society into the ambit of tourism beneficiaries.

Currently the country receives over 5 million tourists a year, while their contribution to foreign exchange earnings is more than US\$11 billion. Of no less significance is domestic tourism, with more than 560 million people travelling within the country for tourism purposes. In a country as vast and diverse as India, the culture and heritage are the main attraction for travellers, both domestic and foreign. But I foresee greater growth of new and niche products like adventure, rural, eco and wellness tourism which will bring about the dispersal of tourists, as each area of the country offers its own unique experience.

The 'Incredible India' campaign has positioned the country in the mind of the discerning traveller and thus played a major role in the growth of tourist arrivals. The recent road shows in Scandinavia and West Asia, and the cultural events in Russia and Los Angeles have greatly heightened the visibility of the brand. Though no projections are available for 2020 as yet the forecast is optimistic, notwithstanding the impact of the global economic crisis. The challenges to the sector are predominantly accessibility, necessitating infrastructure development in the civil aviation, rail and road sectors, shortage of hotel rooms in the country and availability of skilled manpower to cater to the huge demand. However, the focus on developing international and domestic airports, upgrading railway stations and augmenting road connectivity are bound to have a spin-off benefit. Similarly, investment in the hotel industry and a thrust on manpower development by involving universities, polytechnics and industrial training institutes is poised to have the desired impact.

The focus is on promoting tourism that is sustainable, in harmony with the surroundings. In keeping with this objective, the Ministry is creating infrastructure to facilitate tourists in reaching villages that have a core competence in arts, crafts and culture. Capacity building of the village inhabitants to ensure that they are sensitised about tourism

is aimed at providing long-term benefits. Finally, effective marketing arrangements, including tie-ups with the travel trade at the regional, national and international levels are being put in place, as without publicity and promotion the true potential of tourism will not be tapped.

How do you plan to broaden the country's tourism offering? What programmes are in place and what further initiatives may be needed?

We understand that it is necessary to upgrade the tourism product and diversify so that there is more freshness and choice. This is important to attract repeat visitors. Tourism activity should also benefit the local communities. Rural tourism is currently the Ministry's first priority, as it is an innovative tourism product and also benefits the host communities of rural tourism sites. This product not only has social and economic benefits for rural communities, it also gives support to languishing arts and crafts while showcasing the rich culture, craft and diverse cuisine of the country. Projects for 150 Rural Tourism sites have been sanctioned to date across the country.

What investment in physical infrastructure will this require, and what will be the respective roles of government and the private sector?

The growth of the tourism industry requires investments in physical infrastructure for transportation, accommodation, civic infrastructure and human resources for various services in the tourism sector. The investment in physical infrastructure for transportation and urban development is monitored by the Railways, Civil Aviation, Road Transport & Highways and Urban Development Ministries of the Central Government, respectively. The Ministry of Tourism coordinates regularly with these Ministries. Institutionally, the National Tourism Advisory Committee, which I chair, has representation from all the stakeholder Ministries looking after infrastructure development. The investment in creating accommodation is coordinated by my Ministry and we have been proactive in channelling investment in this sector.

The private sector can participate in this process either directly or through public private partnerships (PPPs). International investors can also participate in infrastructure development as per the laid-down guidelines and procedures. The hotel sector is fully open to international investment as the guidelines

allow 100 per cent repatriation of finances.

The private sector in India has seen the opportunity for profitable investments in the tourism industry and most of the current hotel projects are being built with private investment. The Ministry has launched a scheme for the development of nationally and internationally important destinations. This scheme aims at the convergence of resources and development plans of different Ministries, state governments and the private sector for upgrading the infrastructure at these sites to improve the quality of experience of tourists. During the current financial year up to September 2009, the Ministry of Tourism has sanctioned 92 Tourism projects with a value of Rs. 3587.1 million. Recognising the fact that the development of tourism infrastructure projects requires very large investments that may not be possible out of the budgetary resources of the Government of India alone, the scheme for Large Revenue Generating Projects has been initiated. This is primarily to bring in private sector, corporate and institutional resources as well as techno-managerial efficiencies.

The concept of large, revenue-generating projects encompasses those tourist products that are commercial in nature and can generate revenue through the levy of fees or user charges, such as tourist trains, cruise vessels, convention centres, golf courses etc. The support from the Ministry is forthcoming for purely private sector funded projects or those in the PPP mode, and even for those driven by public sector undertakings.

How do you see a growing tourism industry generating additional employment and other social benefits?

Tourism plays an important role in most developing as well as developed countries as the main – and sometimes only – means of economic and social development on a sustainable basis, with meaningful linkages to other productive sectors, such as agriculture and handicrafts. It has been estimated that travel and tourism accounts for 11 per cent of the world's GDP, and 8 per cent of the world's employment. Indian tourism has been declared among the fastest growing, at about 8 per cent, by leading tourism organisations including World Tourism Organisation and World Tourism and Travel Council.

As I mentioned earlier, tourism has huge employment generation potential, but this potential can only be realised by the persons who have the necessary skills. My ministry has recently started a scheme 'Hunar se Rojgar tak' (from skill to employment) for unemployed youth between the ages of 18-25. These unemployed young people are trained for 6-8 weeks in food production (cooking) and food and beverage services (waiting) and are paid a stipend for the period. To date some 1500 young people have been trained under the scheme and they could easily find employment in this sector. The response to the scheme has been overwhelming.

What initiatives will help bring about a 'slum-free India'? What are the key challenges, and how will these be addressed?

A slum-free urban India would require a legal framework to provide property rights to slum dwellers, refigure slums to the extent possible to provide basic infrastructure in a planned manner, to enable the slum dwellers to upgrade the quality of their dwellings with access to credit and measures to reform urban planning processes to provide adequate land for the urban poor to accommodate the existing population and prospective migrants. The key challenges are surveying the slums, enacting legislation for according property rights to slum dwellers, preparing slum-free city plans, evolving public-private-community partnerships, mobilising resources and preventing the conditions that lead to the emergence of slums.

How do you intend to attract private investment into the building of affordable housing?

Private investment to provide affordable housing to the urban poor could be promoted by creating a conducive climate, including fiscal incentives that attract private developers to undertake housing for low-income segments at the bottom of the pyramid as a business proposition. We also envisage a legal framework to require developers to reserve 20-25 per cent of developed land in every housing colony for the economically weaker sections and low-income segments. The Ministry of Housing and Urban Poverty Alleviation has launched a programme of affordable housing which aims at operationalising the strategy envisaged in the National Urban Housing and Habitat Policy 2007 by promoting various types of public-private partnership for realising the goal of affordable housing for all.

What measures are needed to build a more 'inclusive' and sustainable urban environment in India, and by what criteria will you judge the success of your efforts?

These measures will include ensuring inclusive urban planning and the provision of basic amenities to all urban poor in a time-bound manner. A good example is India's flagship programme, the Jawaharlal Nehru National Urban Renewal Mission, which envisages the provision of a seven-point charter – encompassing water, sanitation, education, health, social security, land tenure and affordable housing – to all the poor, according to a time-bound plan of action. Further special programmes for the most vulnerable sections of society, like women, children, and physically challenged slum dwellers need to be designed and implemented. Success can be measured by an index of inclusion in terms of the level of socio-economic amenities in an urban poor settlement compared to those for the general public – encompassing human development, the participation of the urban poor in governance structures, and so on. **F**

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