

# Foreign Direct Investment and Accessible Tourism in India

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**Abstract-** Disability is an important public health problem especially in developing countries like India. The problem will increase in future because of increase in trend of non-communicable diseases and change in age structure with an increase in life expectancy. The issues are different in developed and developing countries, and rehabilitation measures should be targeted according to the needs of the disabled with community participation. In India, a majority of the disabled resides in rural areas where accessibility, availability, and utilization of rehabilitation services and its cost-effectiveness are the major issues to be considered. In modern society, making a holiday trip is one of most popular leisure activities which enhance the quality of life not only for non-disabled individuals but also for individuals with disabilities. As more and more people with disabilities are keen to travel “accessible tourism” has emerged as a potential market segment for the tourism industry. The Indian government is also working hard to elevate the situation of people with disabilities. As a result of the implementation of several laws regarding people with disabilities, their social and economic status has improved. In spite of the Indian government’s effort to develop India as a barrier-free destination, the market of traveller with disabilities has been given little attention by India’s tourism industry. Therefore this study attempts to investigate the current situation of tourist facilities and service for visitors with disabilities in tourist destinations to improve barrier-free tourism in India. Several problems concerning accessibility to serve disabled visitors and a few recommendations to minimize the accessibility barriers were discussed. It is hoped that this paper will assist the development of barrier-free tourism in India by providing useful guidelines to improve the facilities and service for the tourist with disabilities. Foreign direct investment in the field of accessible tourism is a keen and important step to improve the quality of tourism development in India.

**Index Terms-** Disability, Differently-abled, Barrier-free Tourism

## I. INTRODUCTION

Tourism is a rapidly growing industry in the Asian and Pacific region. Following the trauma of the recent Asian financial crisis, the region has regained its status as one of the world’s fastest growing destinations. As reported by the World Tourism Organization (WTO), the Asian and Pacific region, after two years of decreasing tourist arrivals, registered in 1999 a growth rate of 7.5 per cent reaching a new record of more than 94

million international tourists. It is also expected that such a positive trend will continue into the early years of the new millennium. Tourists, today are not content with staying within the confines of a resort hotel compound, being bussed to individual sites and entertained in places that mainly cater to tourists. Instead, tourists are increasingly interested in experiencing diversity of holiday environment in all aspects, including its people, culture, nature, architecture and way of life. This trend will be even more marked as consumers become better informed about options and entitlements, as well as more sophisticated and less willing to accept poor quality facilities and services that entail discomfort and stress. Tourists want access to everything that a city or a country has to offer. In view of the changing consumer demand, tourism for all is an increasingly important sales argument in a competitive market. At the same time, it can serve as an effective tool in furthering the human rights of people with disabilities in the destination communities. People with disabilities and older persons are becoming a growing group of consumers of travel, sports, and other leisure-oriented products and services. Furthermore, with regard to physical access, families with young children, who are also becoming part of this increasing tourist market, have similar needs to persons with disabilities and older persons. Thus large numbers of people require tourism to be made barrier-free. Although the number of tourists who would benefit from accessible facilities and services is on the increase, most tourism services providers in the Asia-Pacific region have still not yet recognized the importance of taking action on this issue. Most hotels, transportation facilities and tourist sites are not physically accessible for many people with disabilities and older persons. Their staff members have not been trained to provide disabled person-friendly services. This is associated with an absence of explicit government policies and strategies for promotion of accessible tourism, lack of training for tourism service personnel on means of meeting the access needs of tourists with disabilities, and shortage of tourism programmes that address such needs. People with different abilities and older persons are now becoming a growing group of consumers of travel, sports and other leisure-oriented products and services. In an effort to tap the potential of this group for promotion of tourist destinations in the country, the Ministry of Tourism has taken an initiative to make tourist destinations barrier-free. Guidelines have been issued for making the tourist-facilities which are being created with central financial assistance, barrier-free. The Ministry has also instituted a new category of Award of Excellence for Most Barrier-Free Monument/Tourist Attraction in the country to encourage other agencies responsible for maintaining

monuments/tourist attractions to create barrier-free environment for the promotion of accessible tourism. The condition of making the hotels accessible for people with different abilities has been included in the guidelines for approval and classification of 4 and 5 star category hotels. Foreign direct investment in accessible tourism would make a big change in the tourism sector in India.

### Size of Accessible Tourism Market in India

According to Census India- 2001 figures, the size of the accessible market i.e. disabled persons, their family members/dependents and other potential people with reduced mobility like those above 60 years works out to be 18.11% of India's population in 2001. In other words, the market segment of reduced mobility groups is roughly 186.3 million. Even if one-fourth of this is taken as economically significant from tourism angle, it still amounts 46.58 million, which indeed is substantial. The proposed study has therefore been contextualised in the above-discussed premises and propositions.

## II. OBJECTIVES OF THE STUDY

1. The main objective is to examine various socio-economic and travel-related attributes of the tourists with reduced mobility.
2. To study the major issues and constraints during different stages of travel and the potential of developing inclusive tourism market as special-interest visitor segment.
3. To estimate the economic development and balanced growth of accessible tourism market in India.
4. To evaluate the employment generation, social development and wellbeing of differently-abled community in India through accessible tourism.

### NATIONAL TOURISM POLICY IN INDIA SAFE AND HONOURABLE TOURISM

To leverage the burgeoning global travel and trade and in keeping with the Indian tourism industry's objective of positioning India as a global tourism brand, the Ministry of Tourism has strategically outlined in its policy the central principle of, 'Atithi Devo Bhava' (Guest is God). In stating this, is evident the commitment of Indian tourism to ensure that every tourist in India is physically invigorated, mentally rejuvenated, culturally enriched and spiritually elevated. To meet this objective and at the core of the National tourism policy of 2002 is outlined the seven pillars of tourism, Swagat (Welcome), Soochana (information), Suvidha (Facilitation), Suraksha (Safety), Sahyog (Cooperation), Samrachanam (Infrastructure Development) and Safai (cleanliness). 'Safe and Honourable Tourism' aims to strengthen the critical pillar of 'Suraksha' (Safety) and ensure that Indian tourism follows international standards of safe tourism practices, applicable for both tourists and local residents i.e. local people and communities who may be impacted by tourism in some way. Its central objective is to ensure that tourism activities are undertaken, integrating the need to protect the dignity, safety and the right to freedom from exploitation of all tourists and local residents involved in or impacted by tourism. In today's scenario, following safety guidelines is not

just about adhering to the provisions of the seven pillars but also implies good business. As the demand from travellers for safe and secure tourism services increases, this code will assist signatories to build capacities among their services chains and personnel so as to be able to respond to this demand.

## III. SPECIFIC OBJECTIVES

This code is a guideline of conduct to enable the Indian travel and tourism industry to:

1. Encourage tourism activities to be undertaken with respect for basic rights like dignity, safety and freedom from exploitation of both tourists and local residents i.e. people and communities who may be impacted by tourism in some way.
2. Aid the prevention of prostitution, sex tourism and forms of sexual exploitations like assaults and molestations in tourism to safeguard the safety of persons, in particular women and children.
3. To enhance prevention of activities like forced or involuntary drug use, manipulated and incorrect information, cultural and social intolerance which could increase vulnerability to crime.

### APPLICABILITY:

This code of conduct shall be applicable to all the owners, suppliers, contractors, employees of the travel and tour sector including hotels, restaurants, lodges, guest houses, tour agents, entertainment establishments etc. In addition it shall be applicable to service providers like event management organizations, entertainment providers, transport operators like taxis, buses, tour guides and other services or agencies associated with the tourism sector. This is not a legally binding instrument but a set of guidelines for the tourism industry. In addition to these guidelines, included in this code are key messages that signatories are encouraged to use.

### ACCESSIBILITY

Access varies depending on disability and goes well beyond the physical type alone. Darcy (1998) 3 has characterized access from three main dimensions:

(a) Physical access which involves people with physical disabilities requiring the use of wheelchairs or walking aids and requires the provision .

(b) Sensory access which involves people with hearing or sight impairments requiring the provision of, for example, tactile markings, signs, labels, hearing augmentation-listening systems and audio cues for lifts and lights.

(c) Communication access, which involves those people who have difficulty with the written word, vision, speech, and hearing impairment of persons from other culture.

In one way or another, all travelers who move out of their familiar surroundings are handicapped by new environments, the exciting aspects notwithstanding. Thus, the degree of sensitivity,

clarity, safety and convenience required in designing tourism facilities from the perspective of disabled travelers will benefit everyone else.

#### IV. METHODOLOGY

The methodology adopted for the study is being exploratory study, a combination of appropriate qualitative and quantitative methods have been employed. As regards to estimation of the share of tourists with reduced mobility at each destination, absence of specific data sets posed a major challenge.

#### V. PRESENT MEGA TOURISM PROJECTS IN INDIA

Ministry of Tourism (MOT), at present, has identified 53 Mega Destinations/Circuits for development in the country, including Maharashtra and Goa, in consultation with the concerned State Governments/Union Territories (Uts) on the basis of footfalls and their future tourism potential. Out of the 53 identified projects, 35 have already been sanctioned. For each identified mega destination and circuit, the Ministry of Tourism contribution as central financial assistance is capped at Rs.25.00 crore and Rs.50.00 crore respectively under the scheme of "Product/Infrastructure Development for Destinations and Circuits". Implementation of the sanctioned Mega Destinations/Circuits is primarily the responsibility of the concerned State/UT. The list of Mega Destinations/Circuits identified/sanctioned is given below

Sl.No.	State/UTs	Name of the Mega Project/Circuits	Year of Sanction	Amt. Sanctioned
1.	Andhra Pradesh	Charminar area of Hyderabad - Destination	2007-08	994.75
2.		Tirupati Heritage Circuit	2008-09	4652.49
3.		Kadapa Heritage Tourist Circuit	2008-09	3692.89
4.		Development of Buddhavanam Project at Nagarjunasagar	2011-12	<b>Identified</b>
5.	Assam	National Park Mega Circuit covering Manas, Orang, Nameri, Kaziranga, Jorhat, Sibsagar & Majouli	2010-11	<b>Identified.</b>
6.	Bihar	Bodhgaya-Rajgir-Nalanda- Circuit	2006-07	1922.42
7.	Chhattisgarh	Jagdapur-Tirathgarh-Chitrakoot-Barsur-Dantewada-Tirathgarh Circuit	2008-09	2347.39
8.	Delhi	Illumination of monuments- Circuit	2006-07	2375.09
9.		Development of Dilli Haat, Janakpuri.	2010-11	<b>Identified</b>
10.	Goa	Churches of Goa Circuit	2008-09	4309.91

11.	Gujarat	Dwarka-Nageshwar- Bet Dwarka Circuit	2008-09	798.90
12.		Shuklatirth-Kabirvad- Mangleshwar- Angareshwar Circuit	2011-12	4650.97
13.	Haryana	Panipat-Kurukshetra- Pinjore Circuit	Phase-I 2006-07 (S-1630.03) (R-1161.23) Phase-II 2008-09 (S-1545.22) (R-35.54)	3175.25
14.	Himachal Pradesh	Eco and Adventure Circuit (Kullu-Katrain- Manali)	2009-10	<b>Identified.</b>
15.	Haryana & Himachal Pradesh	Panchkula – Yamunanagar (Haryana) – Ponta Sahib	2010-11	3253.06
16.	Jammu & Kashmir	Mubarak Mandi Heritage Complex, Jammu – Destination	2010-11	<b>Identified.</b>
17.		Naagar Nagar Circuit (Watlab via Hazratbal, Tulmullah, Mansbal and Wullar Lake), Srinagar	2011-12	3814.56
18.		Development of Leh as a Mega Tourist Destination-Setting up of Trans Himalayan Cultural Centre in Leh, J&K	2010-11	2242.95
19.	Jharkhand	Mega Destination at Deoghar	2011-12	2371.19
20.		Development of Ranchi Mega Circuit	2011-12	<b>Identified</b>
21.	Karnataka	Hampi Circuit	2008-09	3283.58
22.		Development of Tourism Infrastructure at the World Heritage Site Pattadakal and Badami/Aihole in	2011-12	<b>Identified</b>

(Bagalkot District)				
23.	Kerala	Muziris Heritage Circuit connecting historically and archaeologically important places of Kodungalloor	2010-11	4052.83
24.		Development of Backwater Circuit in Alappuzha in Kerala	2011-12	<b>Identified</b>
25.	Madhya Pradesh	Development of Chitrakoot as Mega Destination	2009-10	2401.98
26.		Jabalpur as Mega Circuit	2010-11	<b>Identified</b>
30.		Mahaur- Nanded Vishnupuri- Back Water Kandhar Fort as Mega Circuit	2010-2011	4510.99
31.		Destination Development of Nashik(Gangapur Dam, Nashik City), Kalagram at Govardhan (Nashik City and Gondeshwar) as a Mega Project	2011-12	<b>Identified</b>
32.	Manipur	INA Memorial	2010-2011	1238.59
33.		Integrated Mega Circuit Project – Marging Polo Complex, Keina and Khongjom	2011-12	<b>Identified</b>
34.	Meghalaya	Umiam (Barapani) as Mega Destination	2011-2012	<b>Identified</b>
35.	Nagaland	Development of Mega Destination at Dimapur	2011-12	2370.45
36.	Odisha	Bhubaneshwar- Puri- Chilka- Circuit	2008-09	3022.80
37.	Puducherry	Development of Puducherry as a Mega Tourism Circuit	2010-11	4511.00
39.	Rajasthan	Ajmer- Pushkar Destination	2008-09	1069.68

40.		Desert Circuit (Jodhpur- Bikaner- Jaisalmer)	2010-11	<b>Identified.</b>
41.	Sikkim	Gangtok- Destination	2008-09	2390.70
42.	Tamil-Nadu	Mahabalipuram- Destination	2002-03	1039.00
43.		Pilgrimage Heritage Circuit (Madurai- Rameshwaram- Kanyakumari)	2010-11	3647.95
44		Thanjavur	2010-11	1475.00
45.	Tripura	Mega Lake Circuit Including Mata Bari	2010-11	<b>Identified</b>
46.	Uttarakhand	Haridwar-Rishikesh- Munikireti- Circuit	2008-09	4452.22
47.		Nirmal Gangotri	2011-12	5000.00
48.	Uttar Pradesh	Agra Circuit	Phase-I East Gate 2005-06 (S-848.49) (R-848.49) West Gate 2006-07 (S-933.40) (R- 933.40) Phase-II 2009-10 (S-1976.44) (R-988.22)	3758.33
49.		Varanasi-Sarnath- Ramnagar Circuit	Phase-I 2006-07 (S-786.00) (R- 628.80) Phase-II 2008-09 (S-1416.31) (R-708.16)	2202.31
50.		Development of Mathura-Vrindavan including renovation of Vishramghat (Mathura) as Mega Destination	2011-12	3178.66

## GLOBAL FDI MARKET

The year 2011 was a challenging one for the global FDI market. Natural disasters in Asia-Pacific and economic and political instability in Europe, north Africa and the Middle East led many companies to put on hold their FDI plans, leading to a sharp decline in FDI in many countries. North America, with brighter economic prospects and a 'shale rush', achieved solid FDI growth. Likewise, companies continued to be attracted to the investment opportunities in Africa and Latin America, with 20%-plus growth in FDI in each region. Brazil was again the star performer, with a 38% increase in FDI projects. Renewable energy was the fastest growing sector for FDI in 2011, despite the challenges facing the sector which are discussed in our sector focus. Renewable energy became the leading sector for capital investment in Europe in 2011, and was the second largest sector in North America. In 2011, almost one in five FDI projects was an expansion project, and the report shows that expansions are particularly important for extraction, manufacturing, and front-and back-office projects.

Against the backdrop of another tumultuous year for the world economy, foreign investors have remained cautiously optimistic with slow but solid growth in FDI. The number of FDI projects increased by 5.6% in 2011, faster than the 3% increase in 2010. In total, FDI Markets recorded 13,718 FDI projects in 2011. After declining by 14.5% in 2010, the estimated capital investment associated with FDI projects grew by 1.2% in 2011 to \$860bn, indicating the beginning of a recovery in more capital-intensive sectors. The same pattern was seen in employment, with estimated direct job creation from FDI increasing by 2.5% in 2011 to 2.27 million, following a 3.5% decline in 2010. Despite the political upheaval in north Africa, Africa as a whole was the growth hotspot in 2011, with a 24% increase in FDI projects recorded. In contrast, Europe was the only region to experience a decline in the number of FDI projects in 2011. With Europe holding back recovery, the FDI market still has some way to go to reach the pre-recession peak of 15,489 FDI projects.

## FDI PROJECTS IN ASIA-PACIFIC

FDI projects into Asia-Pacific China, India and Singapore attracted 57% of FDI projects in Asia-Pacific in 2011. India was the strongest performing country with a 21% growth in FDI projects in 2011, following just 1% growth in 2010. The impact of the natural disasters in Japan and Thailand is clearly evident in the sharp decline in FDI in both countries. Hong Kong had a strong year, with its number of projects growing by 6%, after a 21% drop in 2010. In terms of the size of projects, Indonesia, Pakistan and South Korea each recorded growth in capital investment in 2011 of more than 70% after securing large-scale investment projects. Examples include Cyprus-based Solway Group announcing a \$3bn nickel smelting plant in Indonesia, and United Arab Emirates-based Al Ghurair Group announcing plans to develop a \$700m oil refinery in Pakistan. The top-performing country for attracting new jobs was China, which saw just over 340,000 jobs created as a result of inward FDI. FDI projects out of Asia-Pacific Analysing FDI overseas, Japan, India and China accounted for more than 60% of FDI projects from Asia-Pacific countries in 2011. Japan remained the dominant outward investor, establishing more FDI projects overseas than India and China combined. Japan's position is even more important when

the size of projects is considered, with Japanese companies creating nearly 300,000 jobs overseas; 40% of total overseas job creation generated by Asia-Pacific countries. Of the major investing countries, Hong Kong and Australia recorded the fastest growth in outward FDI projects, with percentage growth rates of 23% and 21%, respectively.

## VI. CONCLUSION

The shift of FDI to emerging markets continued to gather pace in 2011, with Africa and Latin America and the Caribbean recording the fastest growth in inward FDI. From a global perspective, FDI is largely market-seeking, which explains why the economic regions with the best economic growth prospects are attracting a larger share of global FDI. This trend is amplified by resource-seeking FDI, with Africa, Latin America and resource-rich countries in Asia attracting more investment. As the case of North America shows, the shift in FDI to economic growth poles and resource-rich countries does not necessarily result in less FDI in the advanced economies; FDI in North America continued to grow in 2011. However, without strong economic growth or natural resources (such as vast shale oil and gas reserves in North America), there are fewer investment opportunities, leading to a decline in FDI. With limited natural resources, Europe is unlikely to achieve growth in FDI without solid economic growth. The FDI forecasting unit at fDi Intelligence is predicting 4.4% growth in global FDI in 2012 as its positive scenario. This assumes that there are no major economic and political crises (for example, a Greek default), that Europe does not fall into recession, and that China's economic growth does not slow down below 7.5%. If any of these events take place, then our revised forecast for 2012 is a 1% to 2% growth in FDI. If multiple events take place, then the FDI market is likely to decline in 2012. In the context of market uncertainty and, at best, slow growth in FDI in 2012, the focus on renewable energy and expansions are of particular importance. Renewable energy has become one of the largest – and fastest growing – sectors for FDI. With the right government policies, environmental conditions and industry competitiveness, there continues to be very strong opportunities to attract FDI in this sector. With rapid take-up of cloud-based services, social media and mobile devices, we also expect strong growth of FDI in data centres in 2012, in particular green data centres, which utilise renewable energy for their power requirements. The focus on expansions demonstrated the importance of expansion investment for FDI, in particular for extraction, manufacturing, and front-and back-office-type FDI. With slow growth in new FDI expected in 2012, expansion investment is likely to become even more important. For governments looking to stimulate the economy and generate employment, renewed emphasis on supporting existing investors is likely to be one of the key trends in investment promotion and economic development policy we see in 2012.

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