

Evolution of Tourism in India: Insights from the Five-Year Plans

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Abstract—India's travel and tourism sector has increasingly established itself as a major catalyst for growth within the services industry. This paper looks at how tourism in India has developed over the years, especially through the Government's Five-Year Plans. Tourism has always been an important part of national planning, and each plan has given more attention and funding to the sector as it continues to grow in terms of foreign tourist arrivals and income. The Ministry of Tourism has played an important role in making India a popular destination for tourists from around the world. Through its policies and programs, the Ministry has made tourism a part of the country's larger development goals.

Index Terms—Tourism, Budget, Planning Commission, Five Year Plans; Infrastructure,

I. INTRODUCTION

The Indian tourism and travel industry has emerged as a major driver of growth within the country's services sector, contributing significantly to economic development and employment generation. With a steady rise in both domestic and international tourist arrivals, the sector has also positively impacted allied industries such as aviation, hospitality, and healthcare. As the second-largest foreign exchange earner, tourism supports both skilled and unskilled jobs while promoting cultural heritage, traditional crafts, and national integration. Since Independence, the Indian government has taken several initiatives to boost tourism, beginning with the creation of a separate Department of Tourism in 1958. Institutions like the Indian Institute of Tourism and Travel Management (IITTM) and the National Council for Hotel Management and Catering Technology (NCHMT) have played key roles in building professional capacity in the industry. The Ministry of Tourism continues to develop

infrastructure, run promotional campaigns, and frame policies in collaboration with various stakeholders, including central and state governments and the private sector. The focus has expanded to include new tourism forms such as rural, medical, eco, and cruise tourism, positioning India as a diverse and attractive destination on the global tourism map.

Objectives of the Study

1. To study the evolution of Indian tourism through the Five-Year Plans.
2. To identify trends in financial allocations, policy emphasis, and the growth of tourism-related infrastructure and services across the different planning periods.

II. RESEARCH METHODOLOGY

This study is based on secondary data collected from reliable and authoritative sources. Key sources include official websites and publications of the Ministry of Tourism, Government of India, Tourism Development Corporations, the Bureau of Immigration, and the Planning Commission of India (now NITI Aayog). Additional data has been gathered from government reports, Five-Year Plan documents, tourism statistics, and relevant publications related to economic planning and tourism development. These sources have been used to track trends in government allocations, tourism policies, and project outcomes over various plan periods.

Five Year Planning (FYPs) and Indian Tourism

After independence the First Five Year Plan was initiated in the year 1951 and it was planned for a period from 1951 to 1956. The Planning Commission, chaired by the Prime Minister is responsible for the Five Year Plans. These Five Year

plans provided for the overall progress of the tourism industry in India. Following table (Table No. 3.1)

shows government allocation for tourism development in India under various five-year plans.

Table 1.1: Government Allocation for Tourism Development in India – Five-Year Plans

Plan Period	Allocation (₹ Crores)	Notes
1st Plan	₹ 0.00	Tourism was not separately recognized; managed under the Ministry of Transport.
2nd Plan	₹ 3.36	First separate allocation for tourism; focused on publicity and opening tourist offices.
3rd Plan	₹ 8.00	Emphasis on infrastructure development; included winter sports complex at Gulmarg.
Annual Plans	₹ 3.29	Between 1966–1969, due to Indo-Pak conflict; annual allocations of ₹0.58 Cr, ₹0.88 Cr, and ₹1.84 Cr respectively.
4th Plan	₹ 36.00	Focus on destination development; included ₹25 Cr for central programs and ₹11 Cr for states.
5th Plan	₹ 133.00	Integrated development of tourist resorts; included loans to private hotel projects and promotion abroad.
6th Plan	₹ 187.46	Sustainable development; emphasis on accommodation and transport infrastructure.
7th Plan	₹ 326.16	Tourism recognized as an industry; encouraged private sector investment.
Annual Plans	₹ 1.73	Between 1990–1992, due to political disturbances; allocations of ₹0.83 Cr in 1990–91 and ₹0.90 Cr in 1991–92.
8th Plan	₹ 773.62	Development of heritage sites; included Agra Heritage Project and Buddhist circuits.
9th Plan	₹ 793.75	Focus on product development; included ₹308 Cr from Internal and Extra Budgetary Resources (IEBR).
10th Plan	₹ 2,900.00	Significant increase in allocation; emphasis on infrastructure and promotion.
11th Plan	₹ 5,156.00	Sanctioned ₹3,112.71 Cr for 991 projects; 99.23% utilization in first four years.
12th Plan	₹ 16,000.00	Targeted at comprehensive development; emphasis on rural and tribal areas.

Source: Five Year Plans, Government of India; Indian Tourism and Five Year Plan (1986-1990). The Department of Tourism, Government of India; Ministry of Tourism, Government of India.

1st Five Year Plan (1951-1956): In the First Five Year Plan, there was no separate Ministry of Tourism and tourism was looked after by the Ministry of Transport, under a separate tourism division formed in 1949. There was no allocation of funds in the First Five Year Plan for tourism development. Investments in tourism were also allocated in the budget of the Ministry of Transport. The provisions for tourism development in the First Five Year Plan included the production of publicity material and the opening of tourist offices both in the country and abroad. As a result, Indian Tourist Offices were opened in London in 1955 and in Paris, Melbourne, and Colombo in 1956.

2nd Five Year Plan (1956-1961): The development of tourism facilities has been planned since the Second Five Year Plan. The main objective of tourism development during this period was to provide accommodation and transport facilities at major tourist destinations and to develop infrastructure. During this period, a total of ₹3.36 crore was set apart for tourism, including funds allocated for Central and State sectors.

3rd Five Year Plan (1961–1966): When the Third Five Year Plan was launched, the potential of tourism was identified as a tool for growth and development. A total of ₹800 lakh was sanctioned for the development of tourism. While the central plans considered foreign tourists, the state plans focused on domestic tourism. This has led to a huge increase in the number of foreign tourists visiting India. In

addition, it has led to a network of tourist facilities in neglected or unpopular areas. During this period, the L K Jha Committee (1963) or Adhoc Committee on Tourism was appointed to promote and develop tourism facilities. In 1965, three public sector enterprises were set up—Hotel Corporation of India Ltd., India Tourism Transport Undertaking Ltd., and India Tourism Corporation Ltd.

Annual plans of 1966-67, 1967-68, and 1968-69: The Third Five Year Plan was followed by three annual plans of 1966-67, 1967-68, and 1968-69 which allocated a total of ₹58.50 lakhs, ₹87.65 lakhs, and ₹183.81 lakhs each respectively. The most important milestone during the annual plan period was the setting up of the India Tourism Development Corporation (ITDC) in 1966 by unifying the Hotel Corporation of India, India Tourism Transport Undertaking, and India Tourist Corporation. In 1967, The Ministry of Civil Aviation and Tourism was formed. Operation Europe, aimed at European countries, was launched in 1968 with the participation of Air India. Due to the increase in the number of tourists and the shortage of hotels, it was planned to provide loans for the construction of new hotels and for the improvement or expansion of existing ones.

4th Five Year Plan (1969-1974): This plan recognized tourism as a provider of employment opportunities and as an important tool for earning foreign exchange. The fourth plan envisages the development of destination traffic instead of transitional traffic. Based on this, steps have been taken to expand and improve tourism facilities and develop new destinations. This Plan focused on the development of accommodation, transport, and recreational facilities. During the Fourth Plan period, the allocations for tourism came to be ₹36 crores, which was far more than the allocation made during the Third Plan (₹8 crores).

5th Five Year Plan (1974–1979): Tourism development started in the Fourth Five Year Plan continued in the Fifth Five Year Plan. A Central Coordinating Committee was formed for the development of archaeological sites of tourist interest, and ten archaeological sites were selected for development. In 1969, an expert committee was formed to advise on improving the governance of national parks and sanctuaries and to create new ones. Kaziranga, Sariska, Gir, Kanha, Bandipur,

Mudumalai, Periyar, and Tadoba sanctuaries were selected for development. Many forest lodges were built during this period. With the ban on the shooting of tigers and other protected species, wildlife tourism has largely transformed into a holiday photo safari. In the Fifth Plan (1974-1979), the total allocation for the tourism sector was ₹133 crore. Out of ₹133 crore, ₹78 crore has been earmarked for Central Sectors, and the remaining ₹55 crore has been sanctioned to the States and Union Territories. The investment priorities of the Fifth Plan were:

- (a) Improvement of accommodation and transport facilities to meet the needs of international tourists.
- (b) Integrated development of selected areas with the objective of expanding the tourist flow to different parts of the country.
- (c) Foreign Tourism Promotion.

6th Five Year Plan (1980-85): The Sixth Plan (1980-85) is considered an important milestone in the history of Indian tourism. During this period, the country's first 'Tourism Policy' (1982) was announced, which introduced the concept of 'Travel Circuit' and provided an action plan to enhance the benefits of tourism. In order to promote international and domestic tourism, 61 travel circuits have been identified, including 440 tourist destinations. This Plan focused on social and economic gains, such as employment and the support for local arts and craftsmen. A total of ₹187.46 crore has been allocated for tourism in the Sixth Plan. An amount of ₹115.46 crore was sanctioned to the state sectors, and the remaining ₹72 crore to the Central sector. This plan also included provisions to increase the carrying capacity of Indian Airlines, improve the infrastructure facilities of airports, and ensure investments in the accommodation sector to increase the bed capacity in the country.

7th Five Year Plan (1985-1990): In the Seventh Five Year Plan, the vast potential of tourism in the country was recognized. The National Development Council approved the proposal and recommended that tourism be given industrial status. Subsequently, 15 states and 3 Union Territories declared tourism as an industry, and 4 states declared hotels as an industry. The main focus of the project was to strongly promote domestic tourism and move towards diversification of foreign tourism to India. Emphasis was placed on

strengthening the infrastructure of budget accommodation, leisure tourism, winter and water skiing, adventure sports, beach and mountain resorts, and cultural interest centers. An important milestone in the Seventh Five Year Plan was the formation of the National Tourism Committee in 1986 to formulate a long-term vision plan. During this period, a total of ₹326.16 crore was allocated for tourism development.

Annual Plans of 1990-91 and 1991-92: Due to certain political disturbances at the center, the 8th Five Year Plan could not be launched on time. In the interim between the 7th and 8th Five Year Plans, two annual plans for 1990-91 and 1991-92 were implemented. The total outlay for tourism in the annual plan for 1990-91 was ₹83 crore. Out of this total, ₹58 crore was allocated for the Department of Tourism, ₹15.50 crore for ITDC, and ₹12.50 crore for HRD. The total outlay for tourism in the annual plan for 1991-92 was ₹90 crore. Of this, ₹64.05 crore was for the Department of Tourism, ₹16 crore for ITDC, and ₹9.95 crore for HRD (Five Year Plans, GOI).

The 8th Five Year Plan (1992–1997): In the Eighth Five Year Plan, the emphasis was on the participation of the private sector in the development and expansion of tourism infrastructure. The strategy for development in the Eighth Five Year Plan was based on principles of a low-cost economy, high productivity, and efficient use of infrastructure. In May 1992, a National Action Plan for Tourism was announced. The objectives of this action plan included protecting the national heritage and environment, creating jobs, socio-economic development, and diversifying tourism products. During this period, with assistance from the Overseas Economic Co-operation Fund (OECF) of Japan, the development of Buddhist circuits in the states of Uttar Pradesh, Bihar, and the Ajanta-Ellora region was undertaken. In addition to the construction of tourist complexes, efforts were made to improve service efficiency in public sector corporations and streamline facilitation procedures at airports. The Eighth Plan allocated a total of ₹773.62 crore, with ₹272 crore provided to the Union Territories and ₹501.62 crore to the States and Union Territories.

The 9th Five Year Plan (1997–2002): During this period, the focus of the Department of Tourism was on product development that was attractive and affordable. Another important objective was to

increase and achieve coordination between the various agencies involved in the tourism development process. The project aimed to diversify the tourism product by promoting rural tourism, adventure eco-tourism, indigenous tourism, nature tourism, health tourism, heritage tourism, and packages for youth and senior citizens. The Ministry of Tourism identified 21 circuits and 12 destinations for development. Financial assistance was provided to state/Union Territories' Governments for developing tourist infrastructure, including transportation, civic amenities, accommodation, and other facilities at these places. During the Ninth Plan, the Planning Commission initially sanctioned ₹511.32 crore and later reduced it to ₹485.75 crore.

The 10th Five Year Plan (2002–2007): The Tenth Five Year Plan recognized the vast employment potential of tourism, contributing to 3.6 million jobs, and aimed to maximize its socio-economic potential. Its main objectives were to make tourism a major engine for the economic growth of the nation, control the multiplier effect of tourism for employment generation, fiscal and rural development, give more preference to domestic tourism, expand international tourism, and promote India as a global tourism brand. In 2002, the National Tourism Policy 2002 was introduced as the second comprehensive tourism policy in the country. In addition, the 'Incredible India' international tourism campaign was launched in 2002. The Department of Tourism demanded an allocation of ₹5,500 crore from the Planning Commission and received ₹2,900 crore for the tourism sector.

The 11th Five Year Plan (2007–2012): During the 11th Five Year Plan (2007–2012), the Ministry of Tourism sanctioned ₹3,112.71 crore for the development of 991 Tourism Infrastructure projects. These included rural tourism and human resource development projects. Priority was given to projects involving the construction and maintenance of roadside facilities along highways/roads leading to tourist destinations, cleanliness of tourism sites, and projects in backward areas. Of the total plan outlay, 2.5% was reserved by the Ministry of Tourism for tourism development in tribal areas. Emerging practices like rural tourism, cultural tourism, adventure tourism, cruise tourism, MICE, and medical tourism were promoted with renewed focus. To accomplish the targets outlined in the 11th Five-

Year Plan, the Ministry of Tourism implemented several schemes, including:

- Product Infrastructure Development at Destinations and Circuits (PIDDC)
- Overseas Promotion and Publicity including Marketing Development Assistance (MDA)
- Domestic Promotion and Publicity including Hospitality (DPPH)
- Assistance to Central Agencies
- Market Research including the Twenty Years Perspective Plan
- Computerization and Information Technology

The 12th Five Year Plan (2012–2017): The Twelfth Five-Year Plan (2012–2017) was the last five-year plan in India's history. Its primary objective was to achieve "Faster, Sustainable, and More Inclusive Growth." It aimed to boost economic growth, reduce poverty, and improve infrastructure, with a focus on sustainable development and social inclusion. The strategy for tourism development was based on clusters or circuits, leveraging India's vast tourism resources such as historical sites, places of religious significance, and other major national attractions. The goal was to develop tourism from the people's perspective by involving local panchayats and communities to enable sustainable tourism development. Some of the prominent projects and initiatives under the 12th Five-Year Plan include:

- Launched the e-visa scheme in 2014
- Formed a Task Force on Adventure Tourism in 2016
- Launched two major schemes: Swadesh Darshan and Integrated Development of Theme-Based Tourist Circuits
- PRASHAD (Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive) for tourism infrastructure development
- Established the National Medical and Wellness Tourism Board in 2015
- Promoted India as a 365-day destination through niche tourism products (Cruise, Adventure, Medical, Wellness, Golf, Polo, MICE, Eco-tourism, Film Tourism)
- Addressed a manpower gap of 8.10 lakh in the hospitality sector by enhancing institutional infrastructure in hospitality education
- Launched the 24x7 Toll-Free Multi-Lingual Tourist Help Line in 12 International Languages

- Launched the "Incredible India 2.0" Campaign in 2017

III. CONCLUSION

The evolution of India's tourism sector through its Five Year Plans reflects a strategic and adaptive approach to leveraging the vast potential of tourism for economic growth and social development. From the early emphasis on infrastructure and basic tourism services in the 8th Five Year Plan to the comprehensive and inclusive development strategies of the 12th Five Year Plan, India has progressively strengthened its tourism framework. Each plan introduced new initiatives, such as promoting rural and adventure tourism, expanding global branding efforts like "Incredible India," and enhancing technological infrastructure, all contributing to making tourism a major driver of employment and economic growth. The plans also highlighted the growing importance of sustainable development and local community involvement, ensuring that tourism benefits are widely distributed. The consistent focus on infrastructure development, product diversification, and international promotion has solidified India's position as a global tourism destination. As the 12th Five-Year Plan marked the conclusion of this structured planning approach, the initiatives set in motion are likely to continue shaping India's tourism landscape, making it a vital sector for the country's socio-economic development in the future.

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