

E-GOVERNANCE: A REVIEW OF INDIAN TOURISM AND HOSPITALITY

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Abstract:

Digitalization of business processes plays a key role in the ease of doing business. Digital India was a flagship program initiated by the government of India on July 1, 2015. As per the report published by the World Bank, "Doing Business 2020," India has emerged as one of the most attractive destinations not only for investments but also for doing business. India jumps 79 positions from 142nd (2014) to 63rd (2019) in the World Bank's Ease of Doing Business Ranking 2020. NIDHI (National Integrated Database of Hospitality Industry) aspires to become a gateway to opportunities for the hospitality & tourism industry. India is one of the fastest growing and most populous countries in the world; it needs a vast & efficient business database to simplify the business application process. The study's motive is to find the factors promoting the simplification of doing business, challenges, and scope for improvement. A comprehensive study of reports, rankings, and statistical perspectives shows the importance and role of G2B (government-to-business model).

Keywords: Digitalization, Tourism & Hospitality, Artificial Intelligence, Business Models, Doing business

1. Introduction:

Simplification of business processes enhances entrepreneurial opportunities for concerned business entities. It helps not only to improve global business rankings known as "doing business" but also to stabilize business economic growth. Recent studies emphasized the various aspects of technological implementations in various business models enhanced technologically by governments around the world. A major study gap interpreted that not much research has been carried out focusing on digitalization of business distribution services or e-governance for the tourism and hospitality sector in India. This paper would provide aspects of the digitalization of business processes and their simplification in the tourism and hospitality sector in India. Additionally, through this paper, readers come to know factors contributing to tourism business ease of doing processes. Tourism promotes all-round development. As per the United Nations World Tourism Organization (UNWTO), tourism is recognized as an engine of economic development and inclusive growth and promotes environmental sustainability. It also advocates responsible, sustainable, and universally accessible tourism, in addition to playing a crucial role in achieving the Sustainable Development Goals (SDGs).

2. Importance of Tourism Growth:

2.1. Tourism's Economic Contribution in GDP Globally

The below pie chart statistics illustrate the economic importance of tourism globally by showing the contribution of tourism to global GDP by region in 2025. Due to robust domestic and international markets in China, India, Japan, and Southeast Asia, Asia-Pacific leads with USD 3.5 trillion (29.9%). The Americas, primarily backed by the United States, come in second with USD 3.1 trillion (26.5%). Due to the high number of foreign visitors, Europe contributes USD 2.6 trillion (22.2%). The Middle East, led by Saudi Arabia and the United Arab Emirates, exhibits the fastest growth despite being smaller at 3.2%. Contributions from other regions total 16.3%, with Africa contributing 1.9%. In total, tourism accounts for 10.3% of the world's GDP.

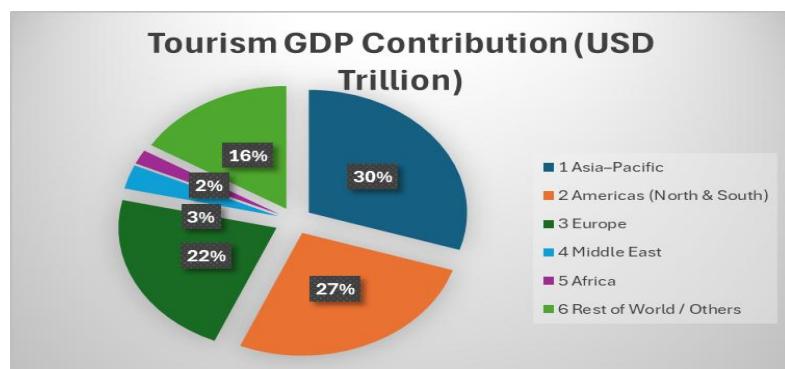


Figure 1: GDP Contribution by Tourism Globally, Source: World Travel and Tourism Council (WTTC)

2.2. Foreign Exchange Earnings

India's foreign exchange earnings (FEE) derived from the tourism sector were recorded at approximately USD 3,341.69 million in February 2025, reflecting a decrease from USD 3,510.36 million in January 2025. The apex of FEE was attained in December 2024, reaching USD 3,949.16 million, signifying a zenith in tourism activity during the holiday period. Conversely, the nadir was noted in April 2020, at a mere USD 8.55 million, when international travel experienced an almost complete cessation due to the COVID-19 pandemic. Collectively, the data underscores a robust recovery in India's tourism sector after the pandemic, with monthly earnings consistently surpassing historical averages.

2.3. Job creation and infrastructure development

India's tourism sector, rich in heritage, culture, and diversity, is emerging as a global favorite and a key driver of economic growth. Recognizing its potential for employment-led development, the Union Budget 2025-26 has allocated 30.62 million USD to enhance infrastructure, skill development, and travel facilitation. A major initiative includes developing 50 top tourist destinations in partnership with states through a challenge mode, ensuring world-class facilities and connectivity. The tourism sector created 76 million jobs in FY23. Ministry of Tourism has sanctioned a total of 76 projects for an amount of 637.10 million USD under the Swadesh Darshan Scheme, out of which 75 projects are physically complete.

3. Literature Review

3.1 Understanding E-Governance in Brief:

In India's tourist and hospitality industry, e-governance is becoming more widely acknowledged as a game-changing tool that improves public engagement, transparency, and service delivery. Governments, corporations, and individuals may all engage more effectively when information and communication technologies (ICTs) are incorporated into governance frameworks. The main facets of e-governance in this industry are highlighted in this overview. (Madenga, 2021). Presently, governments worldwide can exert varying degrees of control over the internet and social media through surveillance, censorship, and even the shutdown of internet connections. The number of countries that try to control their citizens' online activities has increased.

AI (artificial intelligence) and ICT (information communication technology) have revolutionized easy access to information. E-governance in the tourism business in India means governments' utilization of IT and digital tools to provide tourism services and mobilization, such as informing, serving, and booking online, to help the tourists plan and schedule trips through government websites, apps, and portals, ultimately to enhance and ease tourism in the country; major components comprise information on destinations and hotels, tour packages, visa requests, and even live information on the places and events of interest to the tourists. (Picco-Schwendener et al., 2022) The government plays a key role as it is the competent authority to decide policies to build business relations. In tourism, business models like government-to-government (G2G), government-to-businesses (G2B), government-to-citizens (G2C), government-to-nonprofits (G2N), government-to-own-employees (G2E), and government-to-visitors (G2V).

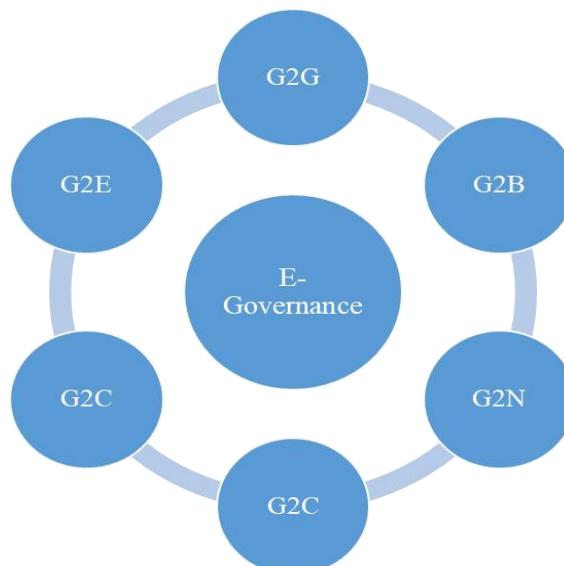


Figure 2: Understanding E-Governance

Interactions	Description
G2G	Government-to-government interaction at international, national, state, and regional levels.
G2B	Involves interactions between public authority and transportation, hospitality, catering, entertainment, and other for-profit tourism-related service providers functioning within the jurisdiction of this authority.
G2N	It involves interactions between public authority and nonprofit organizations with interests in tourism's impact on the national or sub-national levels within this authority's jurisdiction.
G2C	It includes interactions between public authority and citizens or residents living in the country or territory under the jurisdiction of this authority and affected by tourism development.
G2V	It involves relationships between public authority and individuals visiting the country or territory under its jurisdiction, particularly national and international travelers and non-residents.
G2E	It involves relationships between the public authority, civil servants, and other employees of this or other authorities.

Source: (Picco-Schwendener et al., 2022)

3.2 Need for E-Governance in Tourism in India

Successful implementation of E-Governance initiatives can lead to reduced corruption, enhanced accountability, increased convenience, revenue increases, and cost reductions. The aim of adopting e-governance is to enhance efficiency and guarantee effective service provision. From another perspective, digital governance may directly reduce the perceived network safety risks of inbound tourists, which benefits the development of inbound tourism (Ghelia et al., 2019). The growth of the tourism sector would be impacted both directly and indirectly by the quality of the institutions (Cajaiba-Santana et al., 2020). While increasing national wealth would increase demand for tourism as a result of institutional progress, a more stable and well-organized environment would also result from an improved institutional framework and reduced dangers (Paramati and Roc, 2019),.

3.3 E-Governance Frameworks and Initiatives

(Roy, 2023) Initiatives of e-governance in the tourism sector enabled easy access to tourism services for the stakeholders of tourism and also enhanced service delivery via technical aids, concentrating on efficiency and citizen engagement. Below are some of the initiatives taken by the Ministry of Tourism, the government of India.

- I. The Digital India campaign was started by the government of India in July 2014.
- II. As per the report by PIB (Press information Bureau), the e-visa scheme was launched on November 27, 2014 with initial Electronic Travel Authorization (ETA) for nationals of 43 countries out of 180 countries targeted. 167 countries now can currently apply for the e-visa facility
- III. The Swadesh Darshan and PRASHAD (Pilgrimage Rejuvenation And Spiritual Augmentation Drive) schemes in 2015 provide financial assistance for developing tourism infrastructure and promoting pilgrimage and heritage tourism.
- IV. National Integrated Database of Hospitality Industry 2.0 (NIDHI) was launched on September 27, 2021. Aimed to enable a comprehensive database of tourism & hospitality, such as hotels, resorts, homestays & travel agencies, to better understand and support the industry.
- V. Government-to-Business: Digital platforms enable businesses to access government resources and support, enhancing operational efficiency (Kalbaska et al., 2017).
- VI. Government-to-Citizen: Citizens can engage with tourism authorities through online feedback mechanisms, improving service delivery (Kalbaska et al., 2017).

3.4 Obstacles in Implementing Tourism E-Governance in India

Despite the promise, India confronts obstacles that prevent e-governance efforts from being implemented effectively, such as cultural barriers and infrastructural limits. Strategic planning, public awareness, and sufficient funding are necessary for effective e-governance in order to overcome these obstacles (Mahapatra, Perumal 2006).

- I. Infrastructure Issues: Despite advancements, challenges such as inadequate infrastructure and digital literacy persist, hindering the full potential of e-governance (Mitra & Dey, n.d.) (Gupta & Bansal, 2013)
- II. Policy Implementation Challenges: Despite advancements, India's tourism policies often lack effective execution.
- III. Policy Gaps: Existing policies are inadequately formulated and implemented, hindering the sector's growth
- IV. There is a call for balanced research on tourism governance to address these shortcomings (Reina-Usuga, et al., 2024).

While e-governance presents significant opportunities for enhancing tourism in India, the effectiveness of these initiatives is contingent upon robust policy frameworks and stakeholder collaboration. Addressing these challenges is essential for realizing the full potential of e-governance in the tourism sector. While e-governance presents numerous advantages for the tourism and hospitality sectors, it is essential to recognize that challenges such as regulatory compliance and infrastructure development must be addressed to fully realize its benefits.

4. Results & Discussion:

Basis of Reports, articles, research paperers published the findings provide compelling evidence that MICE tourism is not a supplemental tourism activity but rather a strategic economic tool for Delhi NCR. The results are in line with international research that shows business travel is a major factor in employment, GDP growth, infrastructure modernization, and destination branding. The conversation highlights that in order to optimize the financial benefits of MICE tourism, integrated destination marketing, better governance, and policy-led promotion are crucial. Delhi NCR's contribution to regional and national economic growth can be greatly increased by fortifying public-private partnerships and establishing it as a single MICE destination. Conclusion for the Discussion Section Overall, the study shows that MICE tourism in Delhi NCR contributes a disproportionately higher economic value than traditional tourism segments. Its function in promoting global investment, employment, and infrastructure use.

Conclusion:

This study conclude that India's tourism ecosystem is becoming more responsive and business-friendly thanks to technology-led public administration. Digitally enabled public systems have improved institutional responsiveness, expedited permissions, and promoted trust among businesses, citizens, and tourists. Virtual service interfaces, centralized databases, and online platforms have reduced administrative burden while promoting investment confidence and well-informed policymaking. The tourism industry's operational effectiveness and international perception have both improved as a result of these governance reforms. However, gaps in coordination, capacity limitations, and unequal digital access still limit the best results. To achieve competitive and sustainable tourism growth, it is still necessary to strengthen inter-agency convergence, execution capability, and digital inclusion.

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