



Hospitality Sector Proposal



Submitted by

UNITEDGLOBAL PEACE FOUNDATION JAIPUR

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Proposal for NITI Aayog



Creation of Employment and Self-Employment Opportunities in the Hospitality Sector (With Special Focus on Hotel Management)

Background

The tourism and hospitality sector plays a vital role in the National economy of India. In the year 2020, this sector contributed 7.6% to the country's total GDP and generated 8.1% of overall employment (WTTC, 2023). India has set a target of creating 5 crore jobs in the tourism sector by the year 2030.

Serious Challenges in the Current Hotel Management Education System

- Admissions based solely on academic scores, ignoring individual aptitude and interest.
- Stipend of only ₹1,000–3,000 per month during training/apprenticeship, leading to exploitation rather than genuine skill development.
- Nearly 20% of graduate students do not remain employed in the hotel industry (as per NCHMCT data); instead, they either drop out or switch to other professions.
- Students from average households often enroll in one-year diploma courses. However, within such a short period, they fail to gain mastery in the field of hospitality services and are unwilling to work at salaries of ₹10,000–12,000, ultimately seeking employment in other sectors.

Proposed Key Improvements in the Education System

1. **Admission Reform** - Combine aptitude-based selection with academic performance.
 2. **Curriculum Design** - A three-year program including academic learning and structured training with practical work experience in reputed hotels.
 3. **Fair Apprenticeship** - Monthly stipend of ₹10,000 along with free accommodation and meals.
 4. **Government Support** - Financial assistance of ₹15,000 per month, to be withheld and disbursed as a lump sum grant of ₹5.40 lakh upon successful completion of the program.
 5. **Financial Framework** - Integration with CSR funds, PPP model, Skill India Mission, and the National Apprenticeship Promotion Scheme (NAPS).
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Expected Outcomes

- **Employment Generation:** Training and placement of 1–3 lakh students annually.
 - **Promotion of Entrepreneurship:** At least 20% of students will start their own ventures, creating over 1 lakh indirect jobs.
 - **Foreign Exchange Earnings:** 20,000 students working abroad will remit around ₹1,800 crore annually (₹5,400 crore over 3 years).
 - **Social Impact:** Improvement in the standard of living of nearly 10 lakh people over 10 years.
 - **Women Empowerment:** Increase in female participation from the current 20% to 40%.
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Financial Impact

- An expenditure of ₹9,000 crore over 3 years will be required to train 1,00,000 students annually.
 - This investment will be offset within 5 years through foreign remittances, tax revenues, and entrepreneurship-based income.
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Conclusion

This proposal is aligned with the vision of *Atmanirbhar Bharat*, the Skill India Mission, and *Viksit Bharat 2047*. It will establish India as a Global hub of hospitality talent while uplifting the standard of living for millions of families.

Detailed Proposal

1. Introduction

India's tourism and hospitality sector is a key pillar of the national economy. According to the Ministry of Tourism (Government of India), in 2022 this sector contributed ₹16.5 lakh crore (USD 200 billion), accounting for 7.6% of the GDP.

The hotel management sub-sector holds immense potential for employment generation. However, the current education and training system suffers from several shortcomings, such as inadequate industry exposure, minimal stipends, lack of effective skill transfer, and admissions not aligned with students' interests and aptitudes.

2. Current Scenario and Challenges

- Course duration is 3 years, but practical training is limited to only 3 to 6 months.

- During training, students are often treated as cheap labor rather than being groomed as professionals.
 - Core skills such as culinary arts, customer service, digital management, and foreign languages remain inadequately addressed.
 - As per available data, nearly 20% of graduates do not pursue careers in the hotel industry despite completing their degree.
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3. Proposed Reforms

- **Admission Process** - A combined basis of aptitude testing and academic performance.
 - **Curriculum** - A three-year integrated program (one year theoretical, two years practical training).
 - **Apprenticeship Standards** - Minimum stipend of ₹10,000 per month along with free accommodation and meals.
 - **Government Support** - Financial assistance of ₹15,000 per month, with a lump sum of ₹5.40 lakh provided upon graduation.
 - **Financial Framework** - Integration of CSR funds, PPP model, Skill India Mission, and NAPS.
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4. Expected Outcomes

- Students will be equipped with globally competitive skills.
 - Seed capital of ₹5.40 lakh will promote self-employment.
 - Foreign remittances will generate an income of ₹1,800 crore annually.
 - Over 10 years, the standard of living of 2 lakh families (approximately 10 lakh people) will be uplifted.
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5. Financial Impact

- An expenditure of ₹9,000 crore over 3 years will be required for training 1,00,000 students.
- Within 10 years, this investment will be balanced through remittances and tax revenues.

6. Implementation Framework

- **Pilot Phase:** Training of 10,000 students in the first year.
- **Expansion Phase:** Training of 1 lakh students annually in 4-5 star and heritage hotels.
- **Monitoring and Evaluation:** Oversight by NITI Aayog, Ministry of Tourism, NCHMCT, and industry representatives.

- **Key Indicators:** Placement rate, stipend compliance, entrepreneurship outcomes, and foreign remittances.

Tabular Presentation and Outcomes

S. No.	Current Situation	Proposed Improvement	Expected Outcome
1.	Admission based only on marks, lack of aptitude consideration	Aptitude/ability-based test + Bridge Course	Students with correct aptitude will get admission
2.	Course duration 1 to 3 years; training 3 to 12 months formality-only internship	3-year program (1 year academic + 2 years training)	Practical experience and self-confidence
3.	Stipend ₹1,000 – 3,000/month	Minimum ₹10,000/month + Free hostel/food	Improved financial condition; hotels will benefit. Hence, will take it seriously
4.	Lack of skill transfer mechanism	Mandatory Skill Transfer Agreement	Comprehensive skill development
5.	No financial protection during training	₹15,000/month govt support, upon graduation ₹5.40 lakhs lumpsum	Seed capital for self-employment
6.	Many students leave hotel industry	Entrepreneurship, digital tools, foreign language in courses	More students will choose to stay, growth in entrepreneurship
7.	Female participation only 20%	Supportive and safe work environment	Female participation will rise to 40%
8.	Limited international opportunities	International standard training and placement support	₹1-2 lakh monthly salary abroad
9.	Limited training capacity	1–3 lakh students trained annually	2 lakh families uplifted in 10 years
10.	Financial burden only on Government	Integration of CSR, PPP model, Skill India & NAPS	Financially sustainable model

Impact

- **Employment Generation:** 1–3 lakh students trained annually and placed in India and abroad.
 - **Promotion of Entrepreneurship:** 20% of students will adopt self-employment, creating 1 lakh+ indirect jobs.
 - **Foreign Exchange Earnings:** Approximately ₹1,800 crore remittances per year.
 - **Social Benefits:** Improvement in the standard of living of 10 lakh people over 10 years.
 - **Financial Expenditure:** ₹9,000 crore over 3 years, to be balanced within 5 years through remittances and tax revenues.
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Conclusion

- The stipend provided by the government for internships is extremely low for livelihood, causing interns to face significant financial difficulties.
- On many occasions, interns engaged for internships are paid very little by hotel management.
 - It has also been observed that in the hospitality sector, one-year training programs often provide no payment at all.
 - Children from affluent families do join apprenticeships in hotel management, but they are unwilling to work for the monthly allowance of only ₹4,000–5,000 offered to them.
 - In hospitality training programs, many children from poor and needy families participate who are often academically weak. By training such children and providing them employment, the government's responsibility towards these youth will automatically be fulfilled.
- The hotel industry, especially five-star hotels, should be bound by a mandatory condition at the time of land allotment when they receive facilities at concessional rates. Just as schools are required under the RTE Act to admit 25% of children from economically weaker families, in the same way, it should be made compulsory for these hotels to appoint at least 25% of their hospitality staff from among these interns and provide them with stipulated salary.
- Hotel management should ensure a minimum three-year process of skill development curriculum for such interns so that the certificate issued after training enables them to secure permanent employment in the

hospitality sector, thereby eliminating their unemployment on a long-term basis.

- Thus, a trained and skilled individual will not only find it easier to secure employment, but upon completing three years of apprenticeship, the lump sum amount received will also provide an opportunity to start a small hotel or any other business related to hospitality services.
 - When these skilled youth receive training from five-star hotels and secure employment opportunities abroad, the lump sum amount given upon completion of apprenticeship will help them settle there. Moreover, as soon as they begin working overseas, they will be able to remit foreign exchange to India from their very first month's salary. This will not only strengthen their families' financial condition but also significantly enhance India's foreign exchange reserves. For example, if one individual secures employment abroad after training and remits approximately ₹30,000 per month to India, then from a total of one lakh such employed persons, India would receive ₹30,000 lakh in foreign exchange. This will not only re-establish India's Global reputation of *"Atithi Devo Bhavah"* but will also contribute positively towards realizing the vision of a Developed India by the year 2047.
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- 4.** Ministry of Skill Development and Entrepreneurship (MSDE), National Apprenticeship Promotion Scheme (NAPS), 2022.
- 5.** FICCI and CII Reports on Indian Tourism and Hospitality Sector, 2022-23.

**“Tourism has the potential
to bring prosperity, to the lives of many.”**



Shri Narendra Modi
Hon'ble Prime Minister of India

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