

Kanika Hasrat
National President, Hospitality & Tourism Council

14th January 2020

Ms. Nirmala Sitharaman
Union Minister of Finance and Corporate Affairs
Minister of Finance,
Room No. 134, North Block,
New Delhi- 110001

Dear Madam Finance Minister,

At the very outset let us complement you for soliciting opinion from the industry to declare a 'Budget like never before'.

We the Women of WICCI Hospitality and Tourism have been encouraged by this invitation of yours and as the President and Vice President of the council would like to put forth some ideas to help grow employment and livelihoods for women in hospitality.

Background

The coronavirus pandemic while taking a toll on the overall Economy has dealt the Hospitality Industry a huge blow and presented an unprecedented Challenge in the history of the Industry. Strategies to flatten the COVID-19 curve, lockdowns, social distancing, travel restrictions have made Hospitality industry one of the most adversely affected sectors with significant decrease in Demand leading to operating losses severely pressurized cash flows for hotel owners and developers et al. Under such acute financial duress, hotel owners and operating companies have had little choice but to prune manpower to make a stop loss on operational costs, improve efficiencies and eventually manage cash.

Supporting entities such as travel agencies, ground handling companies, car rentals, experiential tourism, eco-tourism start-ups have had practically no means of income for over 6 months. This has had a seismic effect on the larger landscape, akin to a wildfire massacre – engulfing all around.

The mood is as pensive if not worse for hotels under development. Given the current environment of uncertainty and fear, investments are running delayed from the banking and NBFC sector leading to loss of jobs in construction sector as well. With stalled projects, and limited relief on accrued interest, owners are running the risk of bankruptcy, stressed sale or postponement of operative cash flows by at least 3 quarters.

As a result of this the Indian Tourism & Hospitality industry is looking at pan India insolvencies, closure of businesses and mass unemployment, with cascading effect on related businesses. It is proving to be incrementally challenging for small and medium sized enterprises within the larger landscape of Tourism and Hospitality.

Women play an integral role in the Tourism & Hospitality workforce and Covid 19 has hit them hard. From business owners, management, to entry level workforce, women have been universally affected in the tourism and hospitality arena and related businesses.

Ashwini Deshpande, professor of economics at Ashoka University in Haryana, found that the fall in employment (industry agnostic) among men was 29%, compared with a figure of 39% for women owing to the pandemic. Federation of Associations in Indian Tourism & Hospitality, the policy federation of all the national associations representing the complete tourism, travel and hospitality industry of India, estimates cumulative job losses for the full year 2020 in organised and unorganised sector to be as high as 40 million. Keeping these two data points in mind, job losses for women in travel and tourism industry could be mind boggling, as also debilitating.

WICCI hospitality an arm of The Women's Indian Chamber of Commerce and Industry provides a platform for women hospitality professionals to network, build consensus influence policy and grow diversity in the industry.

The WICCI National Hospitality & Tourism Council is an online community that mentors and shares inspiring personal stories about 'breaking the glass ceiling' whilst coaching and mentoring women from all walks of life to pursue a respectable career and grow within the hospitality industry. The council with its newly appointed advisory members from all spheres of the Hospitality Industry – Legal, Architecture, Hotel Chains, Travel Industry, Hospitality Education, Hospitality entrepreneurs etc. are committed to building the community to achieve the goal of growth for women in the Hospitality Industry.

As the count down for the Union Budget 2021 has begun our expectations from the Budget being presented by a Women Finance Minister are of Women centric fiscal schemes to enable women entrepreneurship and workforce participation and unhindered growth. Allocate more funds towards Education, Skill development and safety of women. While as a National chamber we represent the Hospitality & Tourism Industry, we are also a voice for the women in this sector, and our recommended measures have a more structured and insightful focus on measures that can further women empowerment and growth.

With the above backdrop, WICCI Tourism and Hospitality National Council humbly presents measures and recommended action point for the industry and the government machinery to conjointly work upon.

I. Participation in Policy and Governance:

1. Mandate 25% of ministerial positions in Ministry of Tourism to be allocated to women to develop a sense of empathy towards the women workforce in Tourism and Hospitality by 2024.
2. 25% of Tourism Board members to be Women by 2023.

II. New Projects/Capitalization: Incentivize Hospitality projects with special incentives for development where major stake holders are women

1. Single window clearance for construction projects and operational licences/ approvals after environmental.
2. Friendly capital and interest subsidy scheme for fresh investment, 5% interest subsidy for three years for less than 100 Cr; 3% interest subsidy for three years for more than 100 Cr in Tier 1, 2 and 3 locations. The same to be enhanced by 1% in case of 51% women ownership/directorship of hotel owning SPV.
3. Provide subsidy on land for long term lease 60 to 90 years in special SEZ Zones and virgin leisure destinations in line with Hon Prime Minister Narendra Modi's 'Dekho apna desh' initiative to drive domestic tourism.
4. Stamp duty relief for women hotel owners. In case of company ownership, have a minimum 51% shareholding by women to qualify for property tax concessions.
5. Increase moratorium on current loans till end of FY 21-22.

III. Further Reforms in Tax and Regulatory environment targeted specifically at women start-ups

1. Concession in Corporate Tax for Hotel/Business owning SPV's having more than 25% salary bill going to women employees. Herein it is important to note that we are emphasizing on salary bill rather than number of women so as to ensure an equitable distribution of women across all levels and hierarchy.
2. Hotel owning company having more than mandated number of women directors on board to qualify for corporate tax rebate.
3. One third of the 3% CSR budget for hotel companies to be necessarily spent on initiatives focused on women empowerment.
4. Differential Corporate Tax rebate as per extent of women in a company – slabs at 26%, 51% of workforce as women.
5. Enforce 40% women in all hospitality and Tourism organisations and incentivise with 3% GST saving for organisations that meet the 50% threshold criterion of women in workforce.
6. Reduced GST for procurement from women vendors supporting *Atma – Nirbhar* Bharat.

IV. Building up Workforce: Allocation of Funds

1. According to WTTC, India employs only 12% women in Travel & Tourism. In order to enhance composition of women in tourism and hospitality workforce, provide scholarships and concessions in fee to females students from economically weaker sections.
2. Incentive schemes for mobilization of young girls to enrol for Government programs such as Apprenticeship program, *Hunar se Rozgar*.
3. ITI Hospitality Courses and National Skill development's Hospitality courses, industry specific certification program, designed by Industry leaders/WICCI, for ITI hospitality programs offering Soft skills, Grooming, Women hygiene and safety.
4. Amend shop and establishment law to allow for flexible work hours with dynamic wage structure.
5. Provision to certify the unskilled category female staff to Semi-skilled category post one year of continuous employment and then to skilled category after two years with any authorized organization – for Facilities Management Industry.

V. Gender equality and recalibration of workforce for better equilibrium - India ranks 112th on the overall Gender Gap Index as per World Economic Forum and witnesses a 19% Gender Wage Gap. We would urge the Government to Create Policies focusing on closing the pay gap, help advance women into leadership roles,

A survey by Monster.com reported that nearly 60% working women in India face discrimination at work and over one third women believe that they are not easily considered for top management roles.

1. Envision a 100% pay parity in Travel and Tourism Industry by 2025 with severe penalties on entities indulging in pay disparity for same content of work.
2. Commission a study to understand the effect of post-natal job losses and encourage organisations to offer a second chance to women returning from maternity leave.

VI. Safety and Security - A survey by Monster.com reported that 86% of women consider safety as a factor while choosing a job and nearly 50% of them find the night shift unsafe and not preferable. This has severely affected India's reputation too.

1. Allocate atleast 10% of total Tourism budget towards safety of women travellers to enhance sentiment for travel for single lady travellers.
2. Mandate 25% of hotel security staff to be women to create an empathetic approach towards safety and security of women travellers and women workforce.
3. Create a dedicated safety helpline number for all inbound foreign women travellers linked to arrival/passport data.
4. Support NGOs to develop a counselling cell dedicated towards trials and tribulations of women workforce in the tourism and hospitality industry. Contact details of such cells to be mandatorily displayed in staff areas of all establishments.

VII. Request urgent implementation of the Social Security and Labour Code 2020- According to the Oxford Internet Institute's 'Online Labor Index', India leads the global gig economy with a 24% share of the online labour market, with demand for software developers, creative and marketing professionals. Unfortunately, hospitality and tourism does not have any share of the same.

Since hotels are governed by the Shops and establishment act and stipulate 48 hours of work in a week the ability to offer flexible work hours is limited.

1. Request Legalise and set labour and social security norms for Gig Economy which will encourage flexible part time work for women. With news rules of engagement of Gig workers Hospitality and Tourism will be able offer immense opportunity to benefit women employment and still afford them the flexibility of managing home.

It is the vision as also the endeavour of WICCI Hospitality & Tourism Council to collaboratively work with various stakeholders such as consumers, workforce, policy makers, and government bodies to create an environment of equal opportunities, equal monetary benefits, equal rights, equal responsibilities, equal accolades, equal ownership and equal smiles.

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