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TOURISM AND ITS ECONOMIC IMPACT: A STUDY OF J&K STATE.

Abstract

Background: Tourism holds its own giant power in contributing in the fast expansion of economy worldwide, besides being a well-liked global leisure activity. Tourism is a socio-economic activity that has been witnessed as one of the largest and fastest growing industries of the world. As rightly said by PATA (1992), "the tourism industry must be profitable and environmentally sustainable if it is to provide long-term benefits, but this will not be achieved without a new and different approach to industry planning and development." The state of Jammu and Kashmir (J&K) has gained the greater position of being tourist destination in the world. The tourism is being the key contributor in the economic development of J&K state. The present study has been undertaken to study the economic impact of tourism in the J&K state in the prevailing conditions of unrest. The economic impact has been examined through various parameters of economic development such as tourist inflow, employment generation, development of infrastructure, revenue generation and rural development.

Method: The study is based on secondary source of data. Data has been collected from various sources like Ministry of Tourism Government of India, Jammu and Kashmir Tourism Development Corporation and Directorate of Tourism, Annual Economic survey of J&K and other published research papers and official reports.

Findings: The present study found that the tourism sector is one of the most contributing source of income and employment generation in the J&K state economy. Since the year 2014, the J&K state has been witnessing the downfall in the tourism with a highest depression from July 2016. Further, it could be added that the prevailing condition (unrest) in the state doesn't allow the tourism to cope with the losses it has incurred. The employment and revenue generation via tourism has also been hit by the present turmoil. Also, various infrastructural developments have been halted due to the unrest in the state of J&K.

Keywords: J&K, Tourism, Employment, Tourist Inflow, Revenue, Infrastructure.

Introduction:

Tourism has gained the recognition of fastest growing economic service industry worldwide. According to the estimation of World Travel & Tourism Council (WTTC) in 2011, tourism generates around 270.7 million jobs worldwide and accounts for over 10% of global Gross Domestic Product (GDP). Tourism plays a significant role in raising the living standard of the local people by generating the employment opportunities for them. According to Shah and Gupta (2000), tourism has become a significant industry both in developing as well in developed countries due to its positive impacts on the economy, people's livelihoods and socio-cultural developments. For tourism to become an important tool for economic development in developing countries, it is necessary to understand the impact tourism has on local community and how they can benefit from it. Tourism has become an important development tool for change, development and reconstruction of the social and physical environment (Hartmann, 1986; Hughes, 1995).

Jammu and Kashmir (J&K) being one of the most popular tourist destinations in Asia with special popularity of Kashmir worldwide. The state of J&K especially Kashmir region offers a wide variety of tourism like; adventure tourism, medical tourism, water rafting, skiing, religious tourism, etc. Additionally, J&K is also likely to become a major hub for medical tourism if timely steps are taken by the government authorities to exploit this opportunity as well (A.B.Zameer, 2013). Also, Jammu and Kashmir with a composite culture has a harmonious blend of art, religion and philosophy. J&K is to the Himalayas what Switzerland is to the Alps. It is also called as the, "Switzerland of East". J&K consists of three regions viz. Jammu, Kashmir and Ladakh. All these regions are well known for tourism potential all around the world. Kashmir is also known as, "Paradise on Earth" because of its unmatched natural scenic beauty, attractive landscapes, delighting backwaters, hill stations etc. Jammu, also known as, "City Of Temples" is an important destination for pilgrimage tourism. Some of the famous pilgrimages are Vaishno Devi Temple, Raghunath Temple and Bahu Fort which attract pilgrims from across the world. And Ladakh region, the moon land, has been a much sought-after destination

especially for the foreign tourists and is famous for adventure tourism, Khan, J.I. (2011). Thus, all such offers provided by J&K state succeeds in captivating the tourists from all over the world.

Tourism holds a strategic place in J&K economy by providing economic benefits like Employment, Foreign Exchange, Infrastructural development and growth to the local industries like Handicrafts and Handlooms which has placed J&K always at a priority preference not at the national level only but at international level as well.

Objectives of the Study

1. To find out the impact of tourism in the economic development of J&K.
2. To find out the role of tourism in employment, income, infrastructure development, regional development.
3. To provide some feasible suggestions that may prove valuable for the future development of tourism in J&K.

Research Methodology

For the present study the data has been collected mainly from the secondary sources like Ministry of Tourism Government of India, Jammu and Kashmir Tourism Development Corporation and Directorate of Tourism, Annual Economic survey of J&K, United Nations World Tourism Organization, World Travel and Tourism Council (WTTC). In addition to this, data have also been collected from other trustworthy online sources like articles, journals and Newspapers.

Analysis and Discussions

The Market Research Division of the Ministry of Tourism is responsible for collection, compilation and dissemination of information on various aspects of inbound, outbound and domestic tourism in India. The key statistics collected by the Division include data on foreign tourist arrivals, domestic and foreign tourist visits, foreign exchange earnings from tourism, etc.

The tourist flow

Tourist inflow till 1989 has been seen as a major economic activity of the J&K state. However with the rise of militancy it has witnessed hard hit during the past two decades. This cause was attributed to have adversely affected the economic stability as well as employment opportunities in the state. Though, the year 2012 witnessed a favorable turn in revitalizing tourism in the state of J&K. Year 2011 has also made record in terms of surpassing all previous records of tourists and pilgrim arrivals in the state. It is estimated that almost 13 million tourists visited J&K in 2012 (as shown in table1). But there have been seen a serious decline in the arrival of tourists

since 2014. The reason for the decline can be summed many but the major contributing factor to this decline is the political unrest in the state that hinders tourists in visiting the state.

Tourist season in the Kashmir valley starts from April and lasts up to Oct, thus making season of 7 months. During 2015-16, the number of tourist who had visited the valley stood at 6,23,932 including 2,20,490 Amarnath yatris. The tourist season had started during 2016 in April and was in full swing up to end of 7th July, 2016. The remaining about 4 months (24 days of July, August, September and October) remained completely tense and registered closure of all activities due to turmoil resulting in almost zero arrival of tourists in the valley. The disappearance of tourists in the valley during 04 peak months resulted in loss of business to hoteliers, restaurants, houseboats, handicrafts, poniwallas, transporters, shikara walla and so on.

The tourist arrivals of Jammu, Kashmir and Ladakh from 2008 to 2016 are presented in table 1.

Year	Kashmir		Jammu	ladakh	Total
	Amarnath ji	Domestic / State Foreign	(Mata Devi Ji)	Vaishno Domestic/ Foreign	
2008	498075	572100	6576000	72000	7718175
2009	373419	601250	8235064	78573	9288306
2010	458046	736448	8749000	76055	10019549
2011	634000	1314432	10115232	179204	12248668
2012	621000	1308765	10394000	178750	18122515
2013	353969	1171130	9287871	137650	10950620
2014	372909	1167618	7803193	181301	9525021
2015	352771	927815	7776604	146501	9203691
2016	220490	403442	2135482	8659	2768073

Source: Economic Survey-Directorate of Economics & Statistics, J&K. 2016,

Revenue Generation

The dark affect of the turbulence have also been noticed on the revenue generation in Kashmir. The table below depicts the loss in the revenue during 2nd quarter of 2016-17 is of the order of Rs 751.97 lakh (80%) compared to revenue realization of Rs 936.89 lakh in Q2 of 2015-16 (see table 2).

Sn0.	Name of the Dev. Authority/Agency	Revenue realized during (Rs. In lakh)			
		2015-16		2016-17	
		Q1	Q2	Q1	Q2
1	Cable Car Corporation, J&K	1885.95	879.63	3162.00	167.27
2	Lolab Bangus Drangyari	0.32	0.62	0.55	0.24
3	Pahalgam	5.11	0.81	3.69	0.00
4	Youmarg	1.10	0.36	6.05	0.00
5	Sonamarg	11.89	27.78	33.21	11.22
6	Gulmarg	2.48	18.62	22.22	5.69
7	Mansbal	0.10	2.76	11.46	0.00
8	Doodhpathri	4.02	5.48	5.49	0.00
9	Aharbal	1.92	0.83	0.69	0.50
	Total	1912.89	936.89	3245.36	184.92

Source: Economic Survey-Directorate of Economics & Statistics, J&K. 2016,

Employment Generation

Tourism is considered a major engine of economic growth and an important source of foreign exchange earnings in many countries including India. It has great capacity to create large scale employment of diverse kind from the most specialized to the unskilled and hence can play a major role in creation of additional employment opportunities. It can also play an important role in achieving growth with equity. As per the estimates of World Travel and Tourism Council (WTTC), an investment of 10 lakh in travel and tourism industry has a potential of generating about 90 jobs which are much higher than its competing sectors like Agriculture and Manufacturing with the generating power of 45 & 13 jobs per 10 lakh respectively (H. A. Mir,2014). The tourism generated employment has been classified into three major heads one being direct employment that sells goods and services directly e.g. hotels, restaurants, shops etc. Second one is indirect employment, which generally supplies goods, services to the tourism business and thirdly investment related employment in construction and other capital goods industries. The Santek Consultants Private Limited, Delhi, in her report “20 years perspective plan for the sustainable development of tourism in the State of J & K, anticipated impact of tourist inflow on employment generation of J&K from 2002 to 2020 and predicted for the year 27.417 (lakhs) of total employment generation based on her prediction of 170.09 (lakhs tourist inflow in the year 2016). However, this prediction cannot be considered with surety as the present turmoil in Kashmir has put the challenges on the whole scenario. Thus extra demands are raised for extra ordinary efforts to cope with the gaps.

Infrastructure Development

Though infrastructural developments are directly linked with development of tourism in the sense it acts a medium in performing various tourism related activities and in promoting tourism. Development of infrastructure includes good infrastructure facilities, better sanitary conditions and more intake capacity during peak seasons and proper human resource development. As per the recent economic survey 2013-14, there are 1508 registered hotels and restaurants in the state apart from 84 tourist bungalows and huts, generating around 8 % of GSDP (cited in; Aasif Hussain Nengroo et,al, 2016). Though various efforts have been taken by the government in bridging the gap but still more is to be done in this regard. However, a number of schemes are being processed for the implementation under Roads & Bridges sector across the state for achieving the desired goals. However, due to law & order problems in Kashmir valley from July, 2016 onwards, the developmental programs did also suffer in the valley.

The centre has approved funding under Product Infrastructure Development at Destinations And Circuits (PIDDC) scheme which has been done away with the replacement of new schemes such as SWADESH Darshan. The Central Sanctioning and Monitoring Committee for the Swadesh Darshan have recommended CFA of Rs. 82.97 crore under Himalayan Circuit of Swadesh Darshan. Consequently, 15 more projects have been prepared in consultation with the stake

holder of the Tourism Department and submitted to MOT, GOI for sanction of Central Financial Assistance. The CFA to this effect is still awaited from MOT, GoI. The details of projects under SWADESH Darshan are as under:-

Table 3: Details of projects under SWADESH Darshan	
S.no	Infrastructure Components
	Jammu
1	Construction of Amusement Park near Sidhara Golf Course – Jammu
2	Construction of Musical Water Fountains with Sound and Light Show at BAGH-E-BAHU
3	Development of Suchetgarh Border Tourism
4	World Class tourism Amenities weithsmart solar illumination, touriost path ways, solid waste Management at Katra
	Kashmir
1	Development of Sound and Light Show with water fountains at SKICC Ghats
2	Construction og Amusement Park at Srinagar (Tatoo Ground)
3	Development of Floating Restaurant on Dal Lake at SKICC Ghats
4	Development of Cruise on River Jhelum
5	Development of Ice Skating Rink in Pahalgam
6	Development of Wayside Amenities in Bijbehara Anantnag
7	Development of Eco log Multipurpose hall at site Apple Resort at Chinniwooder Anantnag
8	Development of Border Tourism at Salamabad Uri
	Kargil
1	Development of Border Tourism at Salamabad Uri

2	Development of Wayside amenities at SHERGOLE on Kargil - Leh highway
3	Development of Golf Course Leh

Source: Economic Survey-Directorate of Economics & Statistics, J&K. 2016

Rural Tourism

50 Rural Tourism Villages under Rural Tourism Scheme (PMRP) have been agreed to be sanctioned by Ministry of Tourism, GOI. About 45-Rural Tourism villages have been sanctioned at a cost of Rs. 29.11 Crore till date and funds to the tune of Rs. 23.79 crore have been released. With the completion of 27- Projects as of now and the remaining shall be completed as and when further funds will be released by MOT, GOI for the purpose as per the package announced by the Prime Minister under PMRP Scheme. These will surely help in the economic encouragement of the residents of these rural areas. Thus will improve and raise the living standard of the local residents too. But due to the present conflict in the state all these steps are being hindered drastically.

Conclusion and Suggestions

Despite the fact that tourism is an immediate contributor in the economic development as unlike other sectors, tourism doesn't take so long in paying off. Therefore, government, private bodies, local investors including other stakeholders should come forth and should actively participate in tourism and its related activities. The tourism in Kashmir has a very high potential because of lot many factors like natural beauty, spots for adventures, pilgrimages and so on it offers. But the need of hour is to improve efforts coming from all quarters of stakeholders in an efficient and effective manner. Even these efforts are being halted because of the status of Kashmir being a conflict area. The recent turmoil has descended down the growth of tourism sector in the state especially since 2015. Tourism in the J&K state demands for the political stability for its development. If the peace is maintained in the state, then tourism in J&K would have no other comparison in the whole world.

The promotional efforts are required for the endorsement of wide tourism products offered by the state like Vast Natural Resources, Adventure Tourism (River Rafting, Mountain climbing, paragliding, skiing), Numerous Trekking routes, Pilgrimage Tourism (Muslim, Hindu, Buddhist), Wildlife Tourism, Heritage Tourism, Springs, Festivals and Cultural activities, Handicrafts etc. The proper and appropriate policy is also demanded for the encouragement of tourism in the state. Infrastructural advancement is another key concern to be looked at immediately. Safety and security has to be maintained in the minds of tourists. The false media reporting has to be brought into notice with the announcement of fine and punishment in some

form for such acts. Advertisement campaigns should be carried out at national as well as at international level for the promotion of state tourism every year efficiently.

The effective measures should be taken for the cleanness and hygiene maintenance in the state. The effective steps should be considered in drafting proper plan and strategy for the development of tourism in the state based on the feedback sort from the tourists and immediate stakeholders.

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