

# Impact of Tourism on the Economy of Jammu and Kashmir

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## ABSTRACT

*Jammu and Kashmir (J&K) which is popularly known as the "Paradise on Earth" is one of the most popular tourist destinations of the world. The state consists of three separate regions namely Jammu, Kashmir and Ladakh. All these three regions have different topography and climate. All these three regions are very popular for tourism potential across the world. Tourism is one of the major tools of economic development all over the globe and recently it proved its potential by emerging as the fastest growing industry of the globe and its contribution to the Gross Domestic Product (GDP) is about 9% globally. The focus of this paper is on the impact of Tourism on the development of the economy in the state of Jammu and Kashmir by studying the parameters of development of economy such as generation of employment, Infrastructural development and State Gross Domestic Product(SGDP). Around 60% of the population of Jammu and Kashmir is estimated are engaged with tourism related activities either directly or indirectly. The contribution of Tourism to State Gross Domestic Product (SGDP) is around 15%. The Tourism Industry and its importance in the economy of Jammu and Kashmir is well known all over the world from decades and the role performed by it in the development of economy has become an area of great interest from the policy perspective of view. The Tourism Industry being a leading industry of state lacks behind in taking the concrete steps of its economic impact on state. The present paper will try to draw the attention towards such tourist destinations which have not been explored yet which includes sinthan top in Anantnag, Daksun in Kashmir, Lolab Valley, Gurez Valley, Bangus Valley Drung in Baramulla etc which can be proved as very beneficial for the growth and development of remote and far flung areas of J&K. The main purpose of this study is to provide some suggestions which are based on the findings which can be proved as very beneficial for the future development of tourism sector in Jammu and Kashmir.*

**Keywords:** *Jammu and Kashmir, Tourism, Economic Development, Employment generation, Infrastructure, Income, State Gross Domestic Product, J&K Tourism.*

## INTRODUCTION:-

In the earlier period of the history of human beings, people used to travel for the purpose of satisfying their biological needs. In the upcoming periods, the emergence of empire had given it a push to travel for the purpose of leisure, political purposes, business, religious or social purposes. In the earlier periods the travelling was very difficult because of the lack of facilities related to transport and other basic necessities. Safety and comfort in route was the another major difficulty faced by people for the purpose of travelling<sup>1</sup>. The other major basic constraints were the time and cost which used to be the main hurdle in travelling. Romans used to visit Shrines, temples, baths and festivals for pleasure and for health<sup>2</sup>.

The land of Kashmir is extremely impressive and captivating land that abounds with natural beauty, Snow capped mountains, Sparkling lakes and immense glaciers which combinely compared Kashmir with Heaven on Earth. But unfortunately this prestigious appearance of the valley of Kashmir has been replaced by a much more terrified one. The India and Pakistan claims the ownership of Kashmir and the dispute between the two has resulted in two major wars which takes thousands of deaths, atrocious acts of aggression and human rights violations. Attacks by militant groups, open fire by security forces and Suicide bombings are the main reasons behind turning the prestigious image of Kashmir into the terrified one. Civilians are killed on a daily basis every year there are countless reported cases of torture, deaths in custody, rapes between the age group of 7- 70 years which includes the innocent kids, Mother aged and the women beyond the age group of that are not being spared, disappearances and extrajudicial executions lead the valley of Kashmir "the paradise on earth" from Heaven to Hell. Since 1989 Indiscriminate violence has marked the area. The turmoil has not only engulfed the valuable and precious lives but also damaged the economic condition of the valley of Kashmir very badly. Closure of business because of the militant attacks, robbery and threats for businessmen has drastically damaged the economy of Jammu and Kashmir. Before the threat of militancy attacks in the region the valley of beautiful Kashmir used to be the favorite destination of the visitors from all corners of the world but the existence of violence had adversely affected

<sup>1</sup> Kothari C.R., *Research Methodology*, Wishwa Prakashan, New Delhi, 1997.

<sup>2</sup> . Sadhu singh, *Research Methodology in social science*, Himalaya Publishing House, 1980.

the valley there by left very bad impression on the economy of the state. In the past few years the arrival of tourists has increased particularly in the region of Jammu because mostly the tourists visit there for pilgrimage purposes and also Ladakh region witnesses increasing number of tourists which possess great potential for adventurous tourism. The valley of Kashmir also witnesses increasing number of tourists because of the peace processes but the number again starts diminishing because of militant attacks in the valley of Kashmir. These circumstances in Kashmir have severely impacted the common people of Kashmir who are affiliated with tourism industry directly or indirectly. The violence in the valley has also affected some other important sources of livelihood which includes horticulture, agriculture and the handicraft industry which are also known as the backbone of the valley of Kashmir and are the main source of livelihood for more than 40% of the people of the region but the conflict severely hit this sector and the people lags behind in taking appropriate advantages from this valuable gift of nature. The present study tries to identify the impact of tourism on the economy of Kashmir. The tourism sector in the valley of Kashmir offers great opportunities for Adventurous tourism, Eco-tourism, medical tourism and Pilgrimage tourism<sup>3</sup>.

### OBJECTIVES OF THE STUDY:-

1. To assess the impact of tourism on the economy of J&K.
2. To study the growth of tourism industry in terms of tourist arrival.
3. To contribute some feasible suggestions for the future growth and development of tourism in J&K.

### RESEARCH METHODOLOGY:-

In view of the above mentioned objectives, the methodology used in carrying out the present study involved mostly the use of data from secondary sources, which have been collected from various Govt. organizations like Ministry of Tourism-GOI, Annual economic Survey of Jammu and Kashmir, Directorate of Tourism (Jammu/Kashmir), Jammu and Kashmir Tourism Development Corporation and in addition to this, other reliable sources for data collection have been used which includes newspapers, articles and journals.

### TOURISM AND ECONOMIC DEVELOPMENT IN J&K:-

The state of Jammu and Kashmir has very high potential to become a major tourist destination all over the globe. In 2012 it was estimated that around 13 million tourists visited the state of J&K which put the state on 17th position among the major tourist destinations of India while Andhra Pradesh stands at number 1. (Ministry Of Tourism, GOI). The tourism industry offers enormous contribution to the local economies by creating the opportunities for employment and sustainable development. Jahangir the Mughal emperor said that if there is paradise on earth it is here, it is here and it is here. Despite being a largest service industry of the state it is also a significant contributor of GDP of the state yields tax revenues, earns foreign exchange and provides wide range of employment to the economy. The state of Jammu and Kashmir because of its natural beauty, deep gorges, deodar trees, popular trees, snow clad mountains, pollution free air, enchanting lakes etc. has made the state a popular tourist destination all over the world.

### Impact of Tourism on the Employment of Jammu and Kashmir:-

The Tourism industry in the state of Jammu and Kashmir has very positive impact on the employment of Jammu and Kashmir in its past and is further expected to have great potential in order to strengthen the employment of Jammu and Kashmir in its future. The tourism industry in Jammu and Kashmir is a multi segmental industry which offers different types of jobs to different people which include hotel managers, tourist guides, travel agents, tour operators, pony wallas, drivers and many other people earn their livelihood from tourism sector either directly or indirectly which also strengthens the economy of the state by increasing the standard of the people along with their income. The table given below shows the projected impact of flow of tourists on the generation of employment in the state of J&K.

**Table1:-Employment Generation on the implementation of Tourism development plan:-**

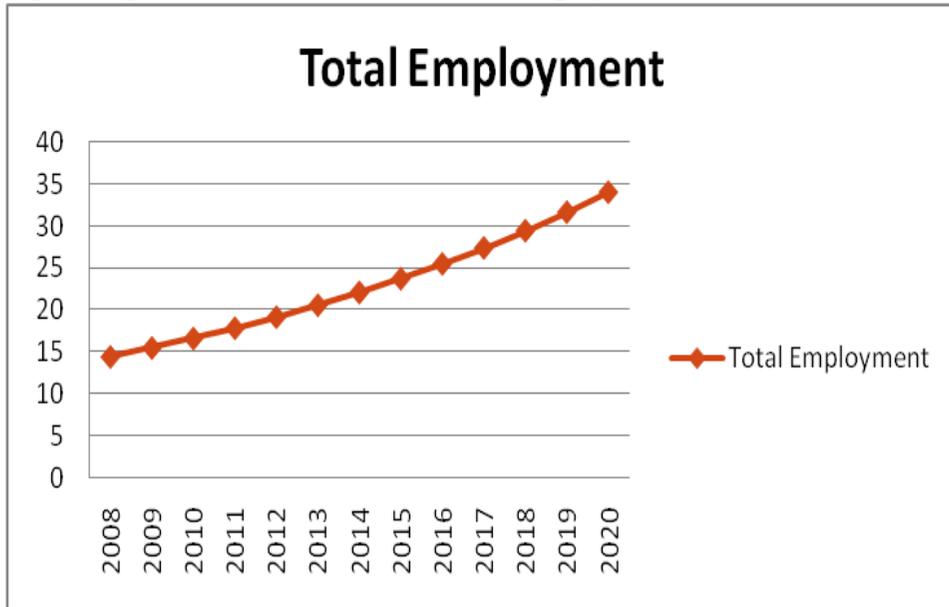
| Year | Inflow of additional tourists (in lakhs) | Total Employment |
|------|--|------------------|
| 2008 | 96.06                                    | 14.409           |
| 2009 | 103.13                                   | 15.4695          |

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|      |        |         |
|------|--------|---------|
| 2010 | 110.73 | 16.6095 |
| 2011 | 118.91 | 17.8365 |
| 2012 | 127.7  | 19.155  |
| 2013 | 137.16 | 20.574  |
| 2014 | 147.34 | 22.101  |
| 2015 | 158.29 | 23.7435 |
| 2016 | 170.09 | 25.5135 |
| 2017 | 182.78 | 27.417  |
| 2018 | 196.46 | 29.469  |
| 2019 | 211.2  | 31.68   |
| 2020 | 227.08 | 34.062  |

Source:- SANTEK CONSULTANTS PVT. LTD.NEW DELHI

**Graph1: Impact of inflow of Tourists on the employment of J&K from 2008-2020.**



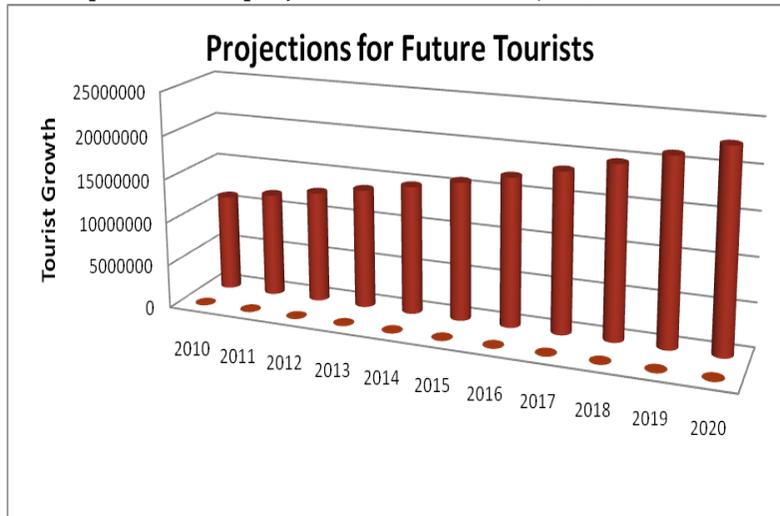
The above table and graph depicts that the increase in flow of tourists increases the employment opportunities in the state of Jammu and Kashmir. It is expected that if the same trend continues the total employment will also increase which could reach to 34.06 lakhs in 2020 from a tourist inflow of 227.08 lakhs. It is necessary to note down that in order to meet the given tourist flow mentioned in the graph some appropriate steps needs to be taken by the authorities which includes developmental processes in a coordinated manner.

**Table 2: Future projections of Tourists from 2010-2020:-**

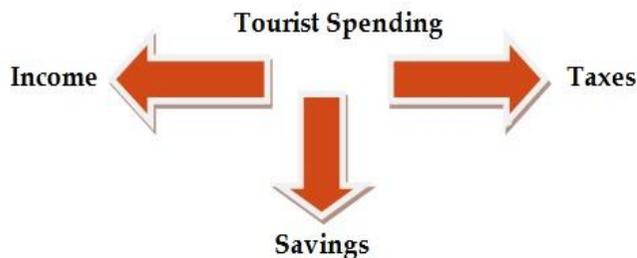
| Year | Total    |
|------|----------|
| 2010 | 11073650 |
| 2011 | 11891251 |
| 2012 | 12770613 |
| 2013 | 13716589 |
| 2014 | 14734445 |
| 2015 | 15829895 |
| 2016 | 17009148 |
| 2017 | 18278954 |
| 2018 | 19646661 |
| 2019 | 21120269 |
| 2020 | 22708506 |

Source: SANTEK CONSULTANTS PVT. LTD.NEW DELHI

**Graph 2: Future projection of tourists in J&K, 2010-2020:-**



In the above projections it is revealed that up to the year 2020 the arrival of tourist flow in the state of Jammu and Kashmir is expected to cross the mark of 20 million in which Jammu division ranks at the number 1st in attracting the largest number of tourists with the share of about 2 crore tourists, Kashmir division ranks at number 2<sup>nd</sup> with around 20 lakh tourists and the division of Ladakh ranks at number iii with the arrival of about 5 lakh tourists. The studies which have been done so far shows that the spending of tourists has a positive relation with revenue generation, savings and income of the people which proves that increase in the spending of tourists will certainly increase in the expansion of revenue, savings and income of the people as shown in the diagram below.



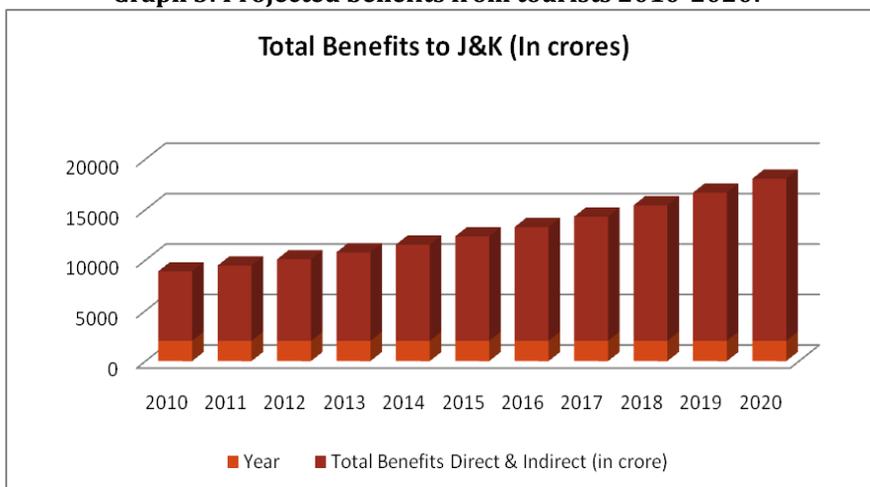
**Table 3: Projected benefits from Additional Arrival of Tourists 2010-2020:-**

| Year | Total Benefits Direct & Indirect (in crore) |
|------|---|
| 2010 | 6885.42                                     |
| 2011 | 7455.46                                     |
| 2012 | 8080.51                                     |
| 2013 | 8767.00                                     |
| 2014 | 9522.17                                     |
| 2015 | 10354.34                                    |
| 2016 | 11272.96                                    |
| 2017 | 12288.84                                    |
| 2018 | 13414.39                                    |
| 2019 | 14663.79                                    |
| 2020 | 16053.34                                    |

Source: Santek Consultants Pvt. Ltd. New Delhi

The tourism industry being a service leading industry earns a lot of money in return of the services which it provides to its customers. The data as mentioned in the table shows the projected total benefits earned from the arrival of tourists in the state from the year 2010-2020.

**Graph 3: Projected benefits from tourists 2010-2020:-**



The above table and figure shows that the tourism industry in the state of Jammu and Kashmir is formulating itself once again to become the forerunner in earning the foreign exchange of the state, which is facing a lot of problems related to its balance of payments and unavailability of sufficient amount of funds in order to perceive new projects of tourism. In order to overcome the problems of balance of payments tourism industry if utilized properly can be proved as one of the best sources which can become a vital tool in favour of Balance of Payment(M. Zulfikar,1998). The data mentioned in the table shows that the total benefits direct as well as indirect from tourism sector will cross 8000 crore mark in 2012 and will cross 10000 crore mark up to 2015 and will reach to the estimated value of 16000 crore up to 2020.

**Tourism and Regional Development:-**

For the growth and development of far flung and backward regions the Tourism industry acts as a catalyst. Most of the studies found that the best and beautiful destinations of tourism are located in the backward and far flung areas and the development of tourism in these far flung areas may have significant contribution in the growth and development of the economy of these regions. Similarly in the valley of Kashmir the most beautiful and scenic places are located in the remote areas which include Gurez Valley and Drung in Baramulla, Bangus Valley and Lolab in Kupwara, Daksun Valley in Anantnag, Suru Valley in Kargil, which possess great potential because of their natural beauty and charming climate than those which are already very famous destinations like Sonamarg, Gulmarg, Pahalgam etc. if these unexploited tourist destinations will be thrown out for tourists the economy of the region and standard of the local people can be promoted. The arrival of tourists in these unexploited places may promote local art which includes Handicrafts, Handloom and other small scale industries will be boosted and will significantly promote the economy of the region.

**Suggestions for Improvement:-**

The above findings reveals that the tourism industry is an important sector of development for the economy of Jammu and Kashmir but there are certain constraints which if extracted properly could become main strength of tourism in the state of Jammu and Kashmir. Some of the suggestions have been given below regarding the future development of tourism in Jammu and Kashmir.

1. The first and the foremost thing in this regard would be to have political stability and safety to the tourists in the valley.
2. The second thing is that there should be a well developed documented tourism policy where equal rights should be given to all stake holders.
3. The infrastructure of the state should be improved.
4. The unexplored tourist destinations which have not been bought on the map of tourism should be explored and proper publicity should be given.
5. The State of J&K is one of the best destinations regarding some new areas like Medical Tourism, Adventure tourism, Polo tourism etc which needs to be given more publicity.
6. Training should be given to the local public to enhance their skills regarding tourism related activities. For that purpose more and more institutions should be opened which could provide proper training to the unemployed youth.

7. Most of the tourist destinations which are under the control of Army have lot of tourist potential. Such destinations should be thrown out for tourists and steps should be taken to avoid misuse of these tourist destinations by anyone.

8. All such new projects, which have an impact on environment and tourism should be carried out in a sustainable way without any harm to the fragile ecology of the state.

**CONCLUSION:-**

The above summary reveals that the tourism sector in Jammu and Kashmir is an important source of economic development from the past several decades and is going to contribute significantly in future as well because of the changes occurring on both demand as well as supply sides. The supply side changes include the growth of new areas like Adventure tourism, spiritual tourism, Medical tourism etc and the factors which are responsible for the increase in its scope are changes in the standard of living, better education, disposable income, better education, long leisure etc. with the growth of tourism industry in the state the economic parameters like infrastructure, income, competition and employment will improve which will further make the entry of new products in the market and will result in better services and satisfaction to the tourists of the state as a whole. This is only possible if normalcy will prevail in the state and the organizations which are responsible for the development of tourism like Directorate of Tourism, Jammu and Kashmir Tourism development corporation will take steps to maintain the tourist spots of the state and also better facilities should be provided to the tourists like better infrastructure, good sanitary conditions, avenues of decent entertainment, and measures should be taken to provide safety of the tourists which are presently at its verge. The state authorities have framed so many plans and programs in order to tackle these challenges, but their successful implementation is necessary to accelerate their pace. All the stakeholders should cooperate with each other and appropriate steps should be taken in order to explore the strengths and weaknesses should be eliminated which could help in making the state of Jammu and Kashmir an attractive tourist destination globally.

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