

Role of Tourism in Jammu and Kashmir Economy

Shahzad Ahmad Bhat¹, PhD Scholar, School of Social Sciences, Swami Ramanand Teeth
Marathwada University, Vishnupuri nanded, Maharashtra

Prof. N. N. Mundhe, Head of Department, Shri Sant Gadge Maharaj College, Loha District
Nanded, Maharashtra

Abstract

Tourism sector is one of the fastest growing sectors in terms of economic and social impacts in the whole world. Especially when we talk about Jammu and Kashmir (J&K) which is popularly known as the paradise on earth or Switzerland of the Indies, tourism can possibly be called backbone of J&K economy with its tremendous impacts on the economy of the Union Territory (UT). The tourism sector contributes to job creation, infrastructure development, revenue generation, regional and rural development and much more. The present study is an attempt to draw a holistic view of what the tourism sector plays its role in Jammu and Kashmir economy. The study is totally based on the secondary data collected from different sources. The study found that the travel and tourism sector in J&K plays an important role in the economic and social development of the erstwhile state, but the sector is not harnessed according to the potential of the J&K in the sector. The tourism sector in the UT is male dominated while as the women have a less or no participation at all. The study recommends the government policies and the participation of the local communities in the tourism development process, so that the potential benefits could be achieved through this sector.

Keywords: Tourism, development, economy, employment, infrastructure, regional development.

¹ Email: ahmadbhat28@gmail.com

1. Introduction

Tourism is one of the world's largest industries and can play a major role in encouraging more consumerist lifestyles (Hunter, 2007). Tourism which has grown significantly since the late 1980s is today considered by many to be the world's biggest business (Herrera and Aranda, 2013). Tourism is travel for leisure, recreational, or business purposes. WTO defines tourists as people travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (Khan et al., 2017).

Various types of tourism which are found in the UT of J&K are adventure tourism, cultural tourism, eco-tourism heritage tourism, pilgrimage tourism, leisure tourism, wildlife tourism, wellness tourism and cruise tourism (Khan et al., 2017). Tourism has played an important role in integrating J&K with the entire world, opened up a new window for resources, both investment and generation, leading to employment generation as well as socio-economic development of the local populace at large, poverty alleviation and sustainable development (Hussain, 2014). The lush green forests, perennial rivers, picturesque alpine scenery and pleasant climate of Kashmir valley, also known as 'the Paradise on Earth', has remained an internationally acclaimed tourist destination. The Jammu region of the erstwhile state which is known as the land of temples also attracts a large number of pilgrims throughout the year. The Ladakh region, known as moon land, has been much sought-after destination especially for the foreign tourists and is famous for adventure tourism (Khan, 2011).

The tertiary sector in the erstwhile state contributes nearly 44.2 % to the states GSDP (current prices, 2007-08). Amongst the various sectors coming under tertiary sector, tourism is a key contributor to the sector growth of 8.7% in 2021 (Centre for Monitoring Indian Economy, CMIE).

Keeping in mind the above stated benefits of tourism, the present study is an attempt to provide a deeper view about the tourism sector in the erstwhile state of J&K.

2. Literature review

Tourism has offered many opportunities to various national governments to establish themselves in the global economic arena and therefore it has become the impetus behind economic development efforts in both urban and rural areas (UNWTO, 2013; WTO, 2006). Tourism has become a key strategy to generate economic, social and environmental benefits to community's faster development and alleviate poverty (Binns and Nel, 2002). Tourism researchers indicate that tourism has many advantages as a pathway to development based on its ability to sustain growth and opportunities for sharing benefits, utilizes resources and offer new attractions and infrastructure (Khaled, 2016). The development of tourism sector not only increases economic growth directly but also stimulates the growth of other sectors through backward and forward linkages and increases domestic incomes and effective demand (Gokavali and Bahar, 2006). Tourism provides opportunity for poverty alleviation and holds the key for creating of rural wealth. It can provide impetus to other industries through backward and forward linkages and can generate huge revenue earnings for the nation (Bhat and Qadir, 2015).

Tourism as an industry in J&K has acted as an economic shock absorber helping to support communities in both urban and rural areas (Hussain, 2014). It has foreign exchange earnings, contribution to government revenues, generation of employment and business opportunities. Tourism has also been an interface for cultural exchange, facilitating the interaction between communities and visitors (domestic and international). It has allowed for local crafts, foods and personalities to be kept alive while making the community to develop (Hussain, 2014).

3. Objectives of the study

The objectives of the present study are to give a general profile of the Jammu and Kashmir UT, study the tourist inflow trend of the UT, present a holistic picture of the travel and tourism sector's role in the economy of the UT and analyse the impact of tourism sector on the environment and natural resources of the UT.

4. Research methodology

This paper examines the role of tourism sector in the economy of erstwhile state of Jammu and Kashmir. The data presented in the study has been obtained from the secondary sources which include the data from World Travel and Tourism Council (WTTC), United Nations World Tourism Organisation (UNWTO), World Trade Organisation (WTO), International Labour Organisation (ILO), Ministry of Tourism JK and India, Centre for Monitoring Indian Economy (CMIE), economic surveys, newspapers, journal articles and other online sources. The data from the 2011 census has also been taken into consideration.

5. Understanding the demography and geography of Jammu and Kashmir

Jammu and Kashmir is the northern most part of the Indian union. The total area of the state was 2,22,236 square kilometres of which 78,114 square kilometres is under the occupation of Pakistan and 37,555 square kilometres is under the occupation of China. The remaining area is divided into three divisions with Jammu occupying 26,293 square kilometres; Kashmir has 15,948 square kilometres and Ladakh with the most 59,146 square kilometres. This was a state till October 2019 with three divisions-Jammu, Kashmir and Ladakh. The population of the state was 1,25,41,302 according to the census of 2011. After the JK Reorganisation Act 2019, Jammu and Kashmir ceased to be a state and was bifurcated into two centrally administered union territories: the UT of Jammu and Kashmir and the UT of Ladakh. Earlier the population density of the state was 124 people per square kilometres according to census 2011, but after the bifurcation, the population density of the UT of J&K is now 290 per square kilometres and for the UT of Ladakh it is 4.6 per square kilometres. The UT of J&K is well known for the tourist spots with lakhs of tourists visiting the UT every year. The Jammu district is well known as the city of temples. Lakhs of pilgrims from all over the India visit Jammu every year to pay homage at the Mata Vaishnu Devi shrine Katra which is located on the Trikuta hills in the Reasi district. The Kashmir division which is known as the Paradise on the Earth due to its natural beauty and the pleasant climate with four seasons and every season here has its own craze among the people all over the world. Kashmir is a valley

surrounded by the Pir Panjal range in the southwest and Himalayan range in the northeast which makes it a fantastic view for the visitors. The hill stations, the lakes, the gardens and the tradition of the Kashmir attract lakhs of tourists every year. The literacy rate of the J&K according to 2011 census was 67.20 percent with male literacy rate as 78.26 percent and female literacy rate of 58.01 percent (www.census2011.co.in).

6. Tourism inflow to Jammu and Kashmir

Table 1 shows that there is an increasing trend in the tourist arrivals to J&K. Exception was the year 2016 which witnessed 8.43 million tourist arrival which is about 0.77 million less than 2015, the reason being the unstable political condition in J&K after the death of Burhan Wani².

Table 1: Number of Tourists visiting J&K

Year	No. Of tourists(millions)
2015	9.2
2016	8.43
2017	14.23
2018	17.07
2019	16.16
2020	2.51
2021	11.31

Source: www.ciecdata.com (accessed in July, 2023)

In January 2021, tourist arrivals in Srinagar were recorded at 19000 in contrast to 3750 in January 2020 because of COVID outbreak. Tourism director stated that Kashmir was visited by 179970 tourists in March 2022 which is the highest ever in previous ten years and is expected to grow in the ensuing year³. And the Hindustan Times reported that about 1.88

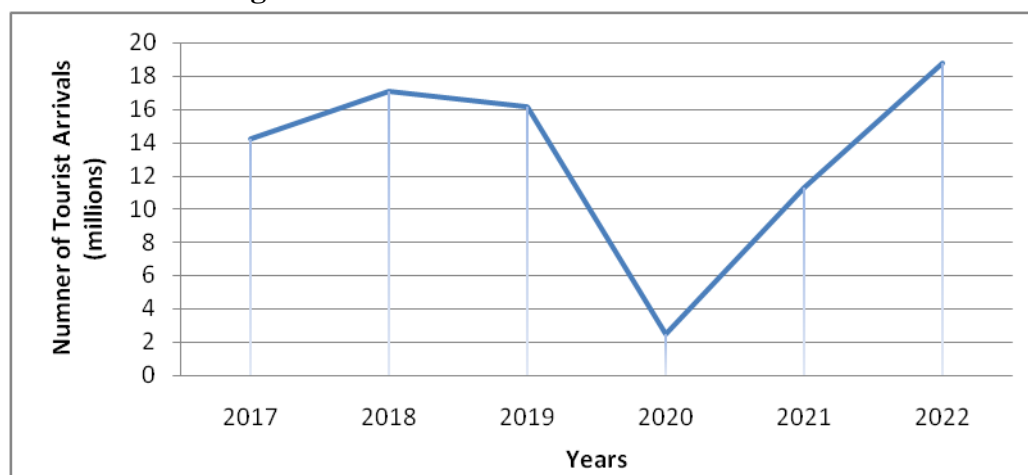
² <https://www.thehindu.com/news/national/burhan-wani-death-and-a-year-of-living-dangerously>. (accessed on 12 July 2023)

³ <https://timesofindia.indiatimes.com/travel/travel-news/kashmir-records-1-8-lakh-tourists-in-march-highest-in-a-decade>. (accessed on 15 March 2023)

crores tourists visited the UT of Jammu and Kashmir in 2022 which is the highest total in the history of Jammu and Kashmir since independence⁴. These figures show the attraction of the beauty which the UT has got from every sense. This trend is expected to continue over the years. The tourist arrivals to the J&K up to august 2023 has been recorded as 1.27 crore which is expected to increase further and can surpass the previous year record⁵.

The numbers gathered from various sources show the evidence that the number of visitors in the J&K has increased substantially after 2019 which might be attributed to the policies adopted by the government in peace keeping and development of the region after the abrogation of the Article 370. This trend can be clearly seen from the trend line shown in Figure 1. The trough only appears in 2020 which is due to COVID-19 outbreak and after that the numbers can be seen increasing year after year and surpassing the 2019 figure.

Fig 1: Tourist arrivals before and after 2019



Source: ciecddata.com and hindustantimes.com⁴

⁴ <https://www.hindustantimes.com/cities/chandigarh-news/record-1-88-cr-tourists-visited-jammu-and-kashmir-in-2022>. (accessed on 17 March 2023)

⁵ <https://timesofindia.indiatimes.com/india/jk-records-1-27cr-tourist-arrivals-2023-figure-expected-to-cross-last-years-mark-lg-sinha>. (accessed on 05 September 2023)

7. Tourism and GDP

Tourism sector contributes significantly to the GDP of the world. As per the estimates, travel and Tourism's total contribution to the global economy in 2014 was US \$7.6 trillion which equates 9.8% of total economy GDP (WTTC). However, in 2019 the travel and tourism sector contributed 10.3 % to global GDP; a share which decreased to 5.3% in 2020 due to ongoing restrictions to mobility. 2021 saw the share increasing to 6.1% (WTTC, 2021). The share of travel and tourism sector in GDP on India in 2019 was 6.9% which decreased to 4.7% in 2020 due to corona pandemic restrictions (WTTC, 2021). As far as the GDP of J and K is considered, the travel and tourism sector contribute about 7% to the erstwhile state's GSDP (Digest of statistics, J&K, 2019-2020, report).

8. Tourism and employment

Travel and tourism generated 2.1 million new jobs directly in 2014 (worldly) and in total 6.1 million jobs were created globally as a result of total direct, indirect and induced activity. In 2020, 62 million jobs were lost representing a drop of 18.6% leaving just 271 million employed across the sector globally compared to 333 million in 2019. 18.2 million jobs were recovered in 2021, representing an increase of 6.7% year-on-year globally (WTTC, 2021).

In India, the contribution of travel and tourism sector to employment was 8% of total employment in 2019 which totals to more than 4 crore jobs and in 2020 it decreased to 7.3% which equals to more than 3 crore jobs (WTTC, 2020).

The tourism sector in the UT of J&K provides employment to about 70 thousand people including hotel staff, tour operators, taxi drivers and souvenir vendors (greaterkashmir.com)⁶. The sector has the potential and can prove an important source of employment generation if the people are made aware about the opportunities in the sector. The active participation of the local people can play a positive role in this regard.

⁶ <https://www.greaterkashmir.com/editoril-page-2/tourism-uplifting-local-economy>. (accessed on 05 September 2023).

9. Tourism and infrastructure development

The success of tourism sector depends on the development of good infrastructure which includes roads, sanitation, electricity, residential, hotels, and other facilities at the destination places where tourists wish to visit. So in order to boost the tourism sector, it is necessary to develop the infrastructure required. Conversely, the development of infrastructure will automatically attract the tourists to the destinations where they feel comfortable. The tourist destination should have all the things where the tourist can spend their time and money in a satisfying and justifiable manner (Santek Consultants, 2020). Tourism tends to encourage the development of multi-use infrastructure that benefits the host community, including various means of transport, health care facilities and sports centres in addition to the hotels and high-end restaurants that cater to foreign visitors (CBSE).

It has been projected that 227.08 lakh additional tourists will visit J and K in 2020 which will require 3018 hotels, 3023 guest house, 60462 buses, 25697 taxis to handle such a huge tourist inflow (Santek Consultants, 2020). The lack of infrastructure is among the main causes of underdevelopment of tourism (Bhatia, 1978). So in order to develop tourism, the infrastructure has to be developed first.

10. Tourism and rural development

Tourism acts as a catalyst in the development of backward and far flung regions of a particular area. Development of tourism will lead to progress in rural/ backward regions (SWOT Analysis, J&K planning). Tourism has proved to be a powerful engine for economic growth – transforming capital, income and employment from industrial, urban and developed areas to non industrial areas. The key relationship in rural tourism is between tourism development and comprehensive rural development, embracing rural services, new enterprise attraction, conservation, and wider role for women and inward investment (OECD, 1994).

J&K had a rural population of 72.62% who primarily depend on agriculture and its allied activities for their livelihood (Census 2011). It is evident that most of the urban tourists visit the naturally scenic places which are present in the rural areas. In order to make an increment in the incomes of rural people and raise their standard of living it is important to develop rural tourism.

Under the Prime Ministers Reconstruction Plan (PMRP) scheme, there were 45 projects for rural tourism programme in 2016-17 for which the amount sanctioned was 27.97 crores (JK Economic survey, 2017). So, government of India is working to develop rural tourism which will develop the rural areas and narrow the rural-urban divide.

11. Tourism and women empowerment

Tourism sector helps in the empowerment of women. In some countries, tourism has almost twice as many women employees as other sectors (UNWTO, 2021). It is found that women make up between 60 to 70 % of labour force in the hotel sector. Study in Bulgaria revealed that 71% of managers and administrators in tourism are women as compared to 29% in the country as a whole (International Labour Organization).

In India the female share of employment in travel and tourism is 12.1% according to a latest report by WTTC titled 'travel and tourism: driving women's success' (WTTC, 2019). Worldwide, the trend is that organized activities in tourism business, trade or industry have involved the participation of women in a big way. However the situation is quite unique in J and K. Extensive field enquiries show that women entrepreneurship is high in Ladakh region, women have a fair share of participation in the hospitality services undertaken in Jammu region and there is virtual no participation in women entrepreneurship in Kashmir region. The one single exception is that handicraft sector of the industry where women have a significant share in the manufacturing of handicrafts which finally are moving out of the state through the tourists who visit the UT (Santek Consultants, 2020).

12. Tourism and environment

Tourism has both the positive and negative impacts on the environment of the destinations. The positive impacts include improved environmental management and planning, raising environmental awareness, protection and preservation of environment and others. Whereas the negative impacts include depletion of natural resources- water, local land, etc., pollution- air and noise, solid waste and littering, sewage, destruction and alteration of ecosystem (Rath and Gupta, 2017).

According to surveys done by various environmental and ecological departments, the Kalahoi glacier in Pahalgam has shrunk by 18% during the last three decades (Khan et al., 2017). The Dal lake in Srinagar and the Wular lake in Bandipora are falling prey to the increasing pollution and the encroaching. According to a report submitted to the former Governor of J&K, N. N. Vohra, by the Chief Managing Director (CMD) of Dredging Corporation of India in 2018, the area of the Dal lake had decreased from popularly known 22 square kilometres to 10 square kilometres, the original size of the Dal lake was about 75 square kilometres back in 1200 AD (jkpi.org)⁷. This is a matter which requires an urgent solution. Some steps have been taken by the government to control the encroachment and the disposal of sewage, but the local population must feel their duty to preserve such a treasure from getting disappeared.

Same is the story of the famous Wular lake, which is the largest fresh water Lake of Asia. According to the Action Plan of Wular Lake (2007), the area of the lake was 217 square kilometres in 1911 which include 58 square kilometres of associated marshes (docplayer.net)⁸. The lake has shrunk nearly to half of its original area due to the encroachment for agricultural and construction purposes.

Every tourist destination has a sad story to be conveyed to the local people and the visitors for their attention, so that they may help in reducing the pollution level and make the spots

⁷ <https://www.jkpi.org/the-degeneration-of-dal-lake-is-a-disaster-waiting-to-happen>. (accessed on 15 June 2023)

⁸ <https://docplayer.net/37017787-Final-report-comprehensive-management-action-plan-for-wular-lake>. (accessed on 15 June 2023)

last longer. Awareness programmes on a large scale need to be organised at every location for the preservation of the tourist sector of the UT.

There is a need to minimise the various impacts which badly affects the environment through proper planning and utilisation of resources. The government should take strict actions for the preservation of the tourist places and the awareness should be generated in the local and the visitors, so that they would protect these precious resources from getting destroyed.

13. Miscellaneous

There are various other impacts of tourism on the economy, society and ecology of the world. Some among the other benefits include foreign exchange earnings, revenue generation, poverty alleviation, change in the land-use pattern, social change, etc. Tourism plays an important role in avoiding the rural-urban migration as tourism is viewed as an economic diversification tool in part to stabilize out migration of young people from small towns because of unemployment (Lankford et al., 2017). Moreover, tourism has a wider impact on other economic sectors through backward and forward linkages such as on agriculture, horticulture, handicrafts, transport, construction, etc (Sachdeva and Ganai, 2017).

Despite all these positive impacts tourism can have negative impacts as well which can be avoided if the stakeholders in the tourism development process act responsibly and avoid the concentration of power and wealth. Besides, the social activist groups and NGOs can come forward to make awareness among the host communities and the visitors about the evil effects of the wrong behaviour on the tourism sector.

14. Conclusion

It is evident from the above mentioned benefits of the tourism sector that this sector surely plays an important role in the economy of J&K. Now, the need of the hour is that all the

stake holders of the sector should work together in the further development of the tourism sector. Especially, in the Kashmir division, where there is less developed industrial and private sector, the tourism sector can prove to be a leading sector in every aspect of the economy as the valley has an immense potential in the tourism industry. New destinations can be developed in order to spread the effects to far flung and rural areas and the congestion on the already developed destinations can be lowered. The infrastructure required for the betterment of the sector should be developed so that the sectors growth and contribution can be sustained in future. Moreover, the government should come forward with the policies for the further development of the sector and the community participation should be made active through awareness generation, imparting skills and providing financial support, so that the tourism sector will sustain its growth for the present as well as the future generations. The local community and tourists should be made aware about the environmental considerations because it is through the natural environment that the tourism sector gets its major products such as natural scenery, mountains, flowers, water bodies, wildlife, and others.

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