

# Tourism Industry in Kashmir Valley: Issues & Challenges Associated with the Process of Concretisation

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## Article History

**Received:** July 26, 2021

**Revised:** September 10, 2021

**Accepted:** September 13, 2021

**Published:** September 15, 2021

## Abstract

Tourism product is associated with livelihood of both rural and urban population. Tourism is one of the leading sectors in the valley followed by horticulture, providing employment to a huge chunk of population whether skilled or unskilled. Tourism industry is the only sector which is working throughout the year be it summer or winter. The present paper is an attempt to analyse the potential and growth of tourism in the economy of Jammu and Kashmir and examine the issues associated with the concretisation at tourist spots/destinations. During 2015-16, the total number of foreign tourists visited Jammu and Kashmir was recorded to be 58568. Tourism industry is playing a pivotal role in the U.T. economy which is evident from the fact that tourism sector accounts for 5.92 per cent of India's GDP and 8 per cent to Jammu & Kashmir economy. But, during turmoil period (1990-2000), the U.T. of Jammu and Kashmir in general and Kashmir valley in particular was worst hit, there was unrest in every nook and corner of the valley. The results revealed that though tourism contributes to the employment generation of the U.T. but from the analysis of the data it was astonishing to recorder that less than 1 % growth was observed during past two decades. The infrastructure was created leaps and bound every nook and corner of the tourist destination, but it has posed serious challenges and threats to the various socio-economic characteristics like employment, living standard, income, environmental degradation and obviously the greenery of the tourist destination. But there are certain issues and challenges associated with the modernisation and concretisation at tourist destinations for sustainable tourism in the region.

**Keywords:** Tourism potential; Industry; Unemployment; Poverty; Infrastructure; Turmoil; Tourism product.

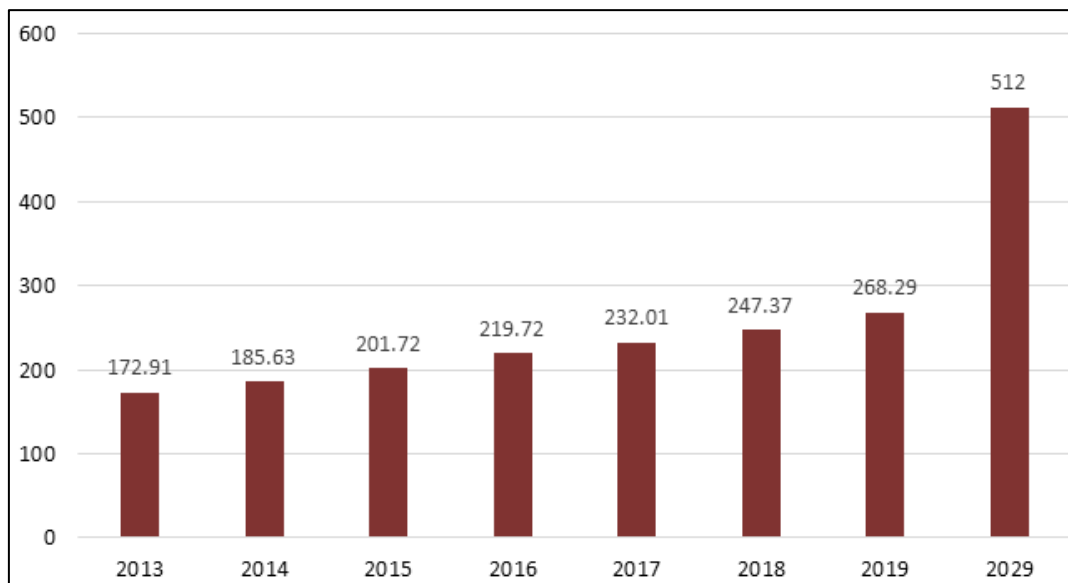
## 1. Introduction

The tourism industry is quite possibly the most progressively creating administration enterprises of the 21<sup>st</sup> century. Its fortitude of effect comes about in view of enlivening the monetary progression of countries, areas and spaces of the movement business gathering on account of income made from the travel business usage in a particular region. Global incomes earned from tourism are estimated at 5 per cent of GDP, and the number of employees in this sector exceeds 270 million (UNWTO, 2014). Switzerland is one of the most established European traveller objections. The tourism industry is an indispensable supporter of occupation creation, destitution lightening, natural assurance, and intercultural understanding. The patterns in global the travel industry since 2010 show that notwithstanding security concerns and turmoil in many pieces of the world, the travel industry is a shockingly strong monetary area which consistently adds to advancement with a normal development pace of 4% (Balaguer and Cantavella-Jorda, 2002). Tourism accounts for around 10 per cent of global GDP and roughly 30 per cent of world service exports; it offers a huge potential in terms of economic development and job creation (UNWTO, 2015; WTTC, 2016). Over the past decades, the importance of the tourism sector for the world economy has been increasing in a tremendous manner. The tourism industry at global level is perceived to positively affect the increment of since quite a while ago run financial development through various channels. Tourism plays an important role in prompting investments in new infrastructure and competition between local firms and firms in other tourist countries. The tourism industry invigorates other financial businesses by immediate, backhanded and initiated impacts. Moreover, the travel industry adds to create business and to build pay (Gadoo, 2017). The

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contribution of hospitality industry to global GDP has remarkably increased from 172.91 US\$ from 2013 to 512 US\$ in 2019 and is expected to increase to a greater extent to 512 US\$ (Fig.1).

**Fig-1.** Total contribution of travel and tourism to GDP in India from 2013 to 2018, with an estimate for 2019 and 2029(in billion U.S. dollars) year



Source: Statista, 2021

The tourism industry makes a tremendous commitment to nearby economies by setting out work open doors and maintainable turn of events. Jammu and Kashmir "Heaven on Earth", is notable for its picturesque excellence, regular cascade, apple valleys, profound crevasses, poplar trees, deodar trees, chinars, magnificent scene, contamination free air, snow clad mountains, interesting nurseries, charming lakes and so on. Tourism in Jammu & Kashmir is one of the most important sectors of economy followed by horticulture (DoS Digest of Statistics, 2020). Being the largest service industry, tourism is a significant contributor to the state GDP, foreign exchange for the UT and the country as well, provides wide spread employment, yields highest tax revenue etc. Being an area having its huge and old legacy, Jammu and Kashmir has colossal potential for Pilgrimage the travel industry and in this way, it draws in enormous number of explorers from different pieces of India and the nation too (Connely, 2011). Pilgrimage tourism thus provides an extra boost to the state’s economic upliftment by providing ample employment opportunities, vast resource generation and development of service sector in the form of hostels, restaurants and other infrastructural developments.

Century old tradition of receiving foreign tourists, pollution free atmosphere, hilly terrain, the high quality of services, region’s importance of being a health resort are just some of the reasons for the region’s rise to a leading position in the area of tourism service provider. Followed by Switzerland Jammu and Kashmir leads the world in terms of their travel and tourism industry competitiveness (World Economic Forum (WEF), 2013). There has been an increase in the number of foreign tourist arrivals traveling for leisure and recreation purposes from past two decades but in relative terms the growth has not shown a remarkable increase. The Region has shown an around growth and development in roads, building, tourist development authorities, so an and so forth, the necessities have been improved all around the tourist spots in the region, but this development has posed a serious threat and challenges to the sustainability of the tourism sector for futuristic point of view. It is in this back drop, the present analysis will consider a contingent valuation approach to study the impact of so called concretisation in different tourist spots of valley and their aftermath in development of the overall region.

## 2. Methodology

The present study involves both primary and secondary data for investigating the ill and good effects of tourism in Jammu and Kashmir. The study had used the data sets of Indiastat, economic survey, Jammu and Kashmir, Digest of Statistics, other published and unpublished reports and periodicals. In addition primary data through random sampling was collected from 200 number of respondents (pony walas, vendors, shopkeepers, hoteliers). Probit regression method of the following equation was used for obtaining the logical results pertaining to the concretisation at various tourist spots of valley.

$$CON = f (X_0P_0 + X_1P_1 + X_2P_2 + X_3P_3 + X_4P_4 + \dots + X_nP_n)$$

Where,

CON is concretisation in the form of pucca houses (hotels & restaurants, roads etc.)

P<sub>0</sub> is picturesque on different tourist spots

P<sub>1</sub> is impact of concretisation on jobs

P<sub>2</sub> is environmental degradation due to concretisation

P<sub>4</sub> is impact on lifestyle

P<sub>n</sub> is impact on n<sup>th</sup> variable due to concretisation

In addition growth rates were calculated wherever required to substantiate the results in a scientific and logical manner, the formulae for growth rate used is of the order as;

**Annual Average Growth Rate =**

$$[(\text{Growth Rate})_y + (\text{Growth Rate})_{y+1} + \dots + (\text{Growth Rate})_{y+n}] / N$$

Where:

Growth Rate (y) – Growth rate in year 1

Growth Rate (y + 1) – Growth rate in the next year

Growth Rate (y + n) – Growth rate in the year “n”

N – Total number of periods

The AAGR is a benchmark for calculating the average return on investments over a number of years. Essentially, it is the basic average growth rates of return for a sequence of periods (years).

For computing average, the growth rate for each individual time period in the series has been observed by;

$$\text{Growth Rate Percentage} = ((EV / BV) - 1) \times 100\%$$

Where:

EV is the ending value

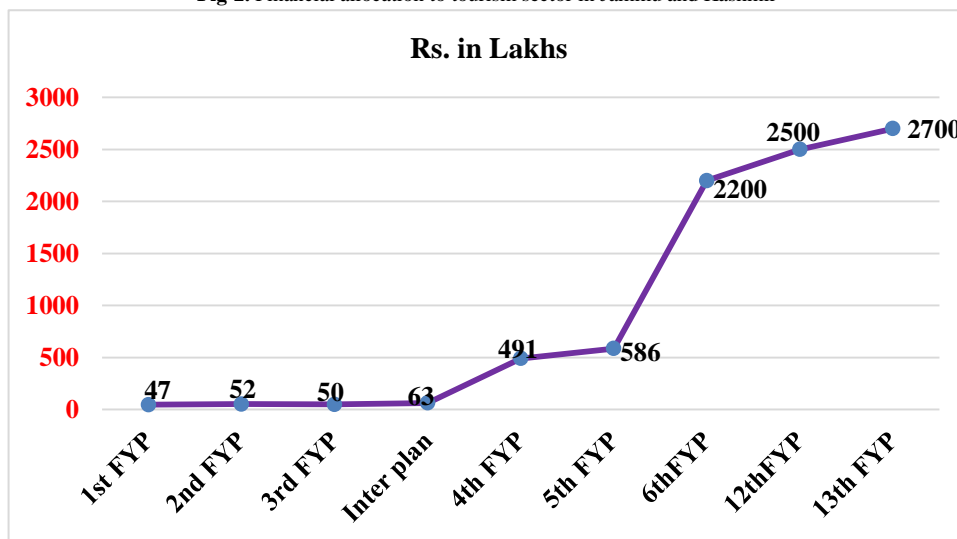
BV is the beginning value

The uneven pleasant of Kashmir valley has drawn in sightseers for quite a long time across the globe. Some notable tourist places in Kashmir valley are Dal Lake, Mughal gardens, Nishat Bagh, Gulmarg, Pahalgam, Dodhpathri, Dachigam etc. Kashmiri’s natural landscape has made it one of the popular destinations for adventure tourism in South Asia. Set apart by four particular seasons, ski devotees can partake in the intriguing Himalayan powder during winters. The tertiary sector like Trade, Hotels and Restaurants, Transport, Storage and Communication, Banking and Insurance, Real estate, Ownership dwellings and business services’ plays a great role in the economic development of Jammu & Kashmir. The tourism industry had a significant impact for fostering the economy especially of Kashmir valley. As the tourism industry is a work escalated industry, it has brought about work creation and produced a great deal of financial exercises in essential, auxiliary and tertiary areas in the region. Guests spending produces pay for both public and private areas other than affecting wages and business openings (Stynes, 1999). Section expense is charged from vacationers assuming they need to investigate the excellence of Cashmashahi, Verinag garden, Mughal Gardens and so on which is the wellspring of income for the public authority.

### 2.1. Growth of Financial Allocation to Tourism Sector in Jammu and Kashmir UT

During the plan period, investment on tourism development in the UT has shown a remarkable increase. From 4<sup>th</sup> plan onwards the investment on tourism development especially infrastructure creation has increased. Most of budget was kept for construction and development of parks and gardens (Bhat, 2020). The regional government has also played a significant role in infrastructure development in different tourist spots through creation of separate tourist development authorities for the development of infrastructure to improve means of transport, communication and beauty of gardens, construction of tourist centers etc. from government exchequer. The financial allocation across various plans has increase from Rs. 47 lakhs to Rs. 2700 lakhs from 1<sup>st</sup> FYP to 13<sup>th</sup> FYP (Fig.2).

Fig-2. Financial allocation to tourism sector in Jammu and Kashmir



Source: <http://www.brighterkashmir.com/growth-and-development-of-tourism-in-jk>

### 2.2. Tourism & Employment Generation in Jammu and Kashmir

Followed by horticulture, tourism is one of the leading employment providers in the UT of Jammu and Kashmir in general and Kashmir valley in Particular (Shafi, 1994). The region possesses ample scope for tourist recreation through Leisure, Pilgrimage, Heritage and Eco-tourism with tremendous scope to transform the whole economy as a tourist driven economy by providing jobs to both skilled, semi-skilled and non-skilled populace through trickle-down effect (Bhat et al., 2018). Being a labour intensive industry, its scope in employment generation is vast and the level of investment required here is low as compared to the other sectors of the economy. An investment of

rupees 10 lakh in travel and tourism industry will generate about 90 jobs which are much higher than its competing sectors like Agriculture and Manufacturing which generate 45 & 13 jobs per rupees 10 lakh respectively (WTTC, 2020). In Jammu and Kashmir from past two decades, tourism has generated employment in different activities. Table 1 presents the employment provided by tourism with a gap of three years and in absolute terms the number has increased and no doubt the employment avenues have also increased, but on the growth front, the number has not increased much as can be seen from thabl1 only a mere less than one percent increase has been recorded from 2002-2020.

**Table-1.** Growth pattern of tourism employment in Jammu and Kashmir

Year	Direct Employment	In direct employment	Total	Growth rate
2002	1.57	7.85	9.42	23.57
2005	1.94	9.70	11.64	23.79
2008	2.40	12.00	14.409	23.74
2011	2.97	14.86	17.83	23.95
2014	3.68	18.41	22.10	24.03
2017	4.56	22.84	27.41	24.26
2020	5.67	28.38	34.06	24.26

Source: Santek Consultants Pvt. Ltd. New Delhi.

Tourism being a labourious activity and therefore, age is playing a significant role in activities performed. Age is taken as deciding variable for the respondent to be engaged with the action contingent on the idea of that movement. Table 2 shows the age structure of the respondents in the sampled area and depicts that 43 per cent of respondents in the sampled area fall in the age group 20-25 followed by 30.5 per cent in 25-30 years of age group meaning thereby that young people are involving themselves in the tourism sector despite the fact that being it a cumbersome and labourious task. The average age of the respondents has been recorded as 40 which a healthy sign that only young people are involving themselves in tourism sector for earnings and employment.

**Table-2.** Age of respondents in the selected tourist destinations

S. No.	Age in years	Responses	Percentage
1	20-25	86	(43)
2	25-30	61	(30.5)
3	30-35	33	(16.5)
4	35-40	12	(6)
5	40-50	8	(4)
	Average	40.0	

Source: Author estimation

A mentioned earlier tourism is vital sector in providing employment to the both skilled, semi-skilled, unskilled and old or young. Tourism in Jammu and Kashmir is a yearlong activity and lakhs of families are earning their livelihood from tourist activities in the region. Different tourist spots provide different sort of avenues of employment to the locals. Few of the activities are enumerated and are presented in table 3. From the table it can be observed that 26.5 per cent of the respondents belong to the vendor's category and in most case our young/old educated people find it a suitable activity to earn decent and respectable livelihood. Likewise 36 per cent of the respondents in the distribution are engaged with horses to earn their livelihood as majority of the tourist destinations are in far-flung areas where mostly Gujjar and Bakarwals community reside and they find it an easy activity to indulge in. The study also takes in to consideration the view point of the shopkeepers (18 %) and hoteliers (19.5 %) for making a sound comparison of the ideology of these sections of the society regarding major factors that influence the livelihood activities in the region.

**Table-3.** Occupation of the respondents at selected tourist destinations

S. No.	Occupation	Responses	%age
1	Pony-walas	72	36
2	Vendors	53	26.5
3	Shopkeepers	36	18
4	Hoteliers	39	19.5
	Average	50	

Source: Author estimation

Tourism is dominant sector in the region for providing income support to the people whether a person works part-time or full time. The activity is a yearlong and therefore, people have made this an occupation and are earning a decent living from this keeping the political and other emergency conditions aside. Table 4 presents a scenario of income earned by the respondents from tourism related pursuits. From the table it is very clear that 36 per cent of respondents recoded that they earn Rs. 50000/- to 100000/- annually from tourism followed by 25.5 per cent (Rs. 100000/- to 1500000/-), 24.5 per cent (Rs. 200000/- to 2500000/-) and 21.5 per cent (Rs. 250000/- & above) respectively from tourism in the region.

**Table-4.** Income of the respondents at different tourist spots of Kashmir valley

Income	Responses	%age
30000-50000	48	24
50000-100000	72	36
100000-150000	51	25.5
150000-200000	37	18.5
200000-250000	49	24.5
250000 & above	43	21.5
Average	50	

Source: Author estimation

Education one of the measuring rod which used for understanding the growth and development of any society or any region of the world. Table 5 presents the education structure of respondents at different tourist destinations and it can be observed that highest number of respondents fall in the illiterate category (34.5 %) followed by primary (21.5%) educational level, which corroborates the results with the above mentions social structure that mostly the people are economically and socially backward (Gujjars and Bakarwals), therefore they are not highly educated/qualified. As move towards highest levels of education the number/percentage turned to be lowest, means that there is negative correlation between years of schooling and number of people educated.

**Table-5.** Education of the respondents in different tourist destinations

Educations attainment	Reponses	%age
Illiterate	69	34.5
Primary	43	21.5
Middle	23	11.5
High School	22	11
Hr Secondary	13	6.5
Graduation	14	7
Post-Graduation	12	6
Above	4	2
Average	25	

Source: Author estimation

Tourism industry is a significant specialist in the economic advancement in the cutting edge times, contributing in various ways and support the between associated measures. Tourism acts as a catalyst panacea for a few wrongs like underdevelopment, joblessness, neediness annihilation, social segregation, etc.; its sway in making a worldwide just as provincial socio-political serene circumstance for conjunction of the way of life also, social orders has been similarly reported at different levels. Tourism industry additionally gives occupations to the neighbourhood inhabitants, further profiting the objective. The present analysis (Table 6) has portrayed some important features through statistical treatment. Table 6 has correlated a developmental aspect (concretisation) with the socio-economic attributes of the respondents and came up with some great results which are detrimental and harmful for the overall sustainable development of the economy/region or to the tourism sector as. Table 6 presents that there is negative relation between concretisation, overall picturesque, environmental degradation and jobs creation and over all income. To explain the a bit, it can be conclude that with concretisation at different tourist destination in the region there is a 15 per cent negative impact on the overall greenery of the any tourist destination. Which will be a destruction in the near future to the tourist spot. Likewise a 41 per cent negative impact was observed on jobs, 41 per cent on environment and 1.44 per cent negative impact was ascertained on these aspect of tourism, which means that only a single component of concretisation is very harmful for the overall tourism industry, which needs a thought. The R<sup>2</sup> for all these factors in the observation was recorded 53 which means that the results are accurate and there is chance of further destruction to the tourist product in the region.

**Table-6.** Impact of Concretisation on socio-economics characteristics of people engaged with tourism

Coefficients <sup>a</sup>							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R Square
		B	Std. Error	Beta			
1	(Constant)	1.037	.84		12.327	.000	.530
	Picturesque (greenery)	-.15	.36	-.29	-.405	.686	
	Jobs	-.41	.52	-.57	-.787	.432	
	Environmental degradation	-.41	.62	-.48	-.670	.503	
	Lifestyle	.21	.29	.53	.727	.468	
	Income	-1.447E-008	.00	-.06	-.085	.932	

a. Dependent Variable: Concretisation

Source: Author estimation

### **2.3. Problems and Issues Faced by Tourism Industry in Jammu and Kashmir**

There are different issues associated with tourism industry in Jammu & Kashmir; like poor road connectivity, lack of proper transportation, absence of essential health care at destinations and at proper stopping point, communication lacunas, lack of professional tourist guides, proper sanitation measures, lack of management, haphazard infrastructure, concrete buildings, roads and pathways, etc. The tourism industry provides an impetus for the advancement of rural far-flung areas where most of the destinations fall. Same is the situation of Jammu & Kashmir where tourists are drawn in towards the spaces which are situated in far off places of region. Tourists visiting neglected appealing spots can offer lift to the financial state of the inhabitants by advancing neighbourhood craftsmanship like Handicrafts, Handlooms, Cricket bat industry and rare herbal medicines.

### **3. Conclusion**

The study concludes that though tourism is playing an important role in the economic development of Jammu and Kashmir. Tourism is considered as source of growth and engine for economic advancement in the world. The impact of tourism on Jammu and Kashmir is visible in the form of tourism development authority at every tourism destination. The region is famous for its tourism products through globe especially for its natural beauty and landscape, natural reserves in the form of Glaciers Rivers, streams and many more. Tourism has played a significant role in the social and economic upliftment of the region but at the same time unplanned and unethical exploitation of natural wealth has posed several serious challenges and threats to the suitability of tourism sector in the region. The results of the study points out that there is a negative relation between the unplanned development in the form of unethical concretisation with natural greenery and on the environmental products, especially income, jobs of the people are a big concern. The main concern for sustainable tourism is that a proper and planned mechanism needs to be introduced which can make tourism a sustainable activity for the region and people can reap the utmost benefits.

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