

TOURISM INDUSTRY AND ECONOMIC PROGRESS IN JAMMU AND KASHMIR: A DEVELOPMENT PERSPECTIVE

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Abstract

Tourism is widely acknowledged as one of the most rapidly expanding sectors in the global economy, generating substantial economic and social benefits. In the case of Jammu and Kashmir, often referred to as the “Paradise on Earth” and the “Switzerland of the Indies,” tourism plays a crucial role in the economic structure of the region. The sector significantly contributes to employment generation, infrastructure development, revenue creation, and the promotion of balanced regional as well as rural development. This study aims to provide a comprehensive evaluation of the contribution of tourism to the economy of Jammu and Kashmir. The analysis is based exclusively on secondary data obtained from various published reports, books, and research studies. The findings indicate that although the tourism industry serves as an important driver of economic and social progress in the region, its overall potential has not yet been fully realized. Furthermore, the study identifies a notable gender disparity within the sector, as tourism-related employment remains largely male-dominated with limited participation of women. It highlights the necessity for effective government policies and greater involvement of local communities to promote inclusive and sustainable tourism development.

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

1. INTRODUCTION

Tourism is one of the world's largest industries, and it has the potential to significantly promote more consumerist lifestyles (Hunter, 2007). Tourism has expanded dramatically since the late 1980s and is now often regarded as the world's largest industry (Herrera and Aranda, 2013). Tourism refers to travel for leisure, recreation, or business objectives. The World Tourism Organization defines tourists as persons who go to and remain in places other than their regular surroundings for no more than one year for leisure, business, or other reasons (Khan et al., 2017). The Union Territory of Jammu and Kashmir offers a diverse range of tourism forms, including adventure, cultural, eco, heritage, pilgrimage, leisure, wildlife, wellness, and cruise tourism (Khan et al., 2017). Tourism has played a significant role in connecting Jammu and Kashmir with the wider world by creating new avenues for investment, resource mobilization, and employment generation, thereby contributing to socio-economic development, poverty reduction, and sustainable growth of the local population (Hussain, 2014). The Kashmir Valley, characterized by lush green forests, perennial rivers, alpine landscapes, and a salubrious climate, has earned global recognition as a premier tourist destination and is often referred to as the “Paradise on Earth.” The Jammu region, traditionally known as the land of temples, attracts a substantial number of pilgrims throughout the year, reinforcing the importance of religious tourism. Similarly, the Ladakh region, popularly described as the “Moon Land,” has emerged as a prominent destination for foreign tourists and is especially renowned for its adventure tourism potential (Khan, 2011). The tertiary sector in the former state accounts for about 44.2% of the state's GDP (current prices, 2007–08). Tourism is a crucial contribution to the tertiary sector's 8.7% growth in 2021. Keeping the aforementioned benefits of tourism in mind, the current study seeks to provide a more in-depth understanding of the tourism industry in the former state of Jammu and Kashmir.

2. LITERATURE REVIEW

Tourism has emerged as a significant instrument for national governments to enhance their position in the global economic system and has increasingly served as a driving force behind economic development in both urban and rural contexts (UNWTO, 2013; WTO, 2006). It is widely recognized as an effective strategy for generating economic, social, and environmental benefits, thereby accelerating community development and contributing to poverty reduction (Binns & Nel, 2002). Scholarly research highlights tourism's potential as a development pathway due to its capacity to sustain growth, promote equitable distribution of benefits, efficiently utilize local resources, and stimulate the creation of new attractions and infrastructure (Khaled, 2016). Furthermore, the expansion of the tourism sector not only directly enhances economic growth but also indirectly stimulates allied sectors through strong backward and forward linkages, leading to increased domestic income and aggregate demand (Gokavali & Bahar, 2006). Tourism thus plays a crucial role in rural wealth creation and revenue generation, reinforcing its importance in national development strategies (Bhat & Qadir, 2015). Tourism as an industry in J&K has served as an economic shock absorber, benefiting both urban and rural residents (Hussain, 2014). It generates foreign exchange earnings, contributes to government income, creates jobs, and provides commercial prospects. Tourism has also served as a cultural exchange hub, fostering interactions between locals and visitors (both domestic and foreign). It has enabled the preservation of native crafts, foods, and personalities while also promoting communal development (Hussain, 2014).

3. OBJECTIVES OF THE STUDY

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

4. RESEARCH METHODOLOGY

This article investigates the significance of the tourist sector in the economy of the former state of Jammu and Kashmir. The study's data was gathered from secondary sources such as the World Travel and Tourism Council (WTTC), the United Nations World Tourism Organization (UNWTO), the World Trade Organization (WTO), the International Labour Organization (ILO), the Ministry of Tourism in JK and India, the Centre for Monitoring Indian Economy (CMIE), economic surveys, newspapers, journal articles, and other online sources. Data from the 2011 census was also taken into account.

5. UNDERSTANDING THE DEMOGRAPHY AND GEOGRAPHY OF JAMMU AND KASHMIR

Jammu and Kashmir occupies the northernmost position of the Indian Union and historically covered a total geographical area of 222,236 square kilometres. Of this area, approximately 78,114 square kilometres remain under Pakistan's control and about 37,555 square kilometres under Chinese administration. The remaining territory was earlier organized into three divisions—Jammu, Kashmir, and Ladakh—covering 26,293, 15,948, and 59,146 square kilometres respectively. Until October 2019, Jammu and Kashmir functioned as a state with these three divisions. According to the 2011 Census, the population stood at 12,541,302, with a density of 124 persons per square kilometre. Following the Jammu and Kashmir Reorganisation Act, 2019, the region was bifurcated into two Union Territories: Jammu and Kashmir, and Ladakh, resulting in population densities of 290 and 4.6 persons per square kilometre respectively. The Union Territory of Jammu and Kashmir is renowned for tourism, attracting large numbers of visitors annually. Jammu is recognized as a major pilgrimage centre due to the Mata Vaishno Devi Shrine. The Kashmir Valley, enclosed by the Pir Panjal Range and the Himalayan Range, is globally admired for its scenic landscapes, lakes, gardens, and distinct cultural traditions. As per the 2011 Census, the literacy rate of Jammu and Kashmir was 67.20 per cent, with male and female literacy rates of 78.26 per cent and 58.01 per cent respectively. (www.census2011.co.in).

6. TOURISM INFLOW TO JAMMU AND KASHMIR

Table 1 demonstrates that visitor arrivals to Jammu and Kashmir are increasing. The exception was the year 2016, which saw 8.43 million tourist arrivals, almost 0.77 million less than in 2015, due to the unpredictable political situation in J&K following the killing of Burhan Wani

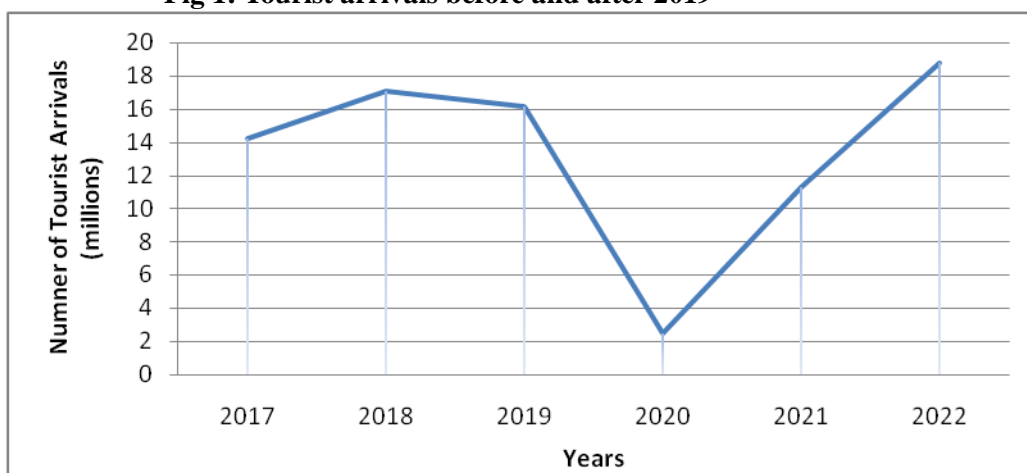
Table 1: Number of Tourists visiting J&K

| 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)

Tourist arrival statistics in the Union Territory of Jammu and Kashmir indicate a remarkable recovery and subsequent growth following the COVID-19 pandemic. In January 2021, tourist inflow to Srinagar increased to around 19,000 visitors, compared to only 3,750 arrivals in January 2020, reflecting a gradual revival of tourism activities after pandemic-related disruptions. According to official statements from the tourism authorities, the Kashmir region recorded nearly 179,970 tourist visits in March 2022, marking the highest monthly figure observed over the preceding decade and indicating strong growth potential in subsequent years. Further highlighting this upward trend, reports by Hindustan Times revealed that approximately 18.8 million tourists visited the Jammu and Kashmir in 2022, the highest annual tourist inflow since Independence. This sustained rise underscores the region’s strong tourism appeal and suggests continued growth, as arrivals up to August 2023 had already reached 12.7 million, with expectations of surpassing previous records. The figures acquired from various sources reveal that the number of visitors to Jammu and Kashmir has increased significantly since 2019, which could be ascribed to the government’s actions in peacekeeping and regional development following the repeal of Article 370. Figure 1 shows a trend line that clearly demonstrates this pattern. The trough only comes in 2020 as a result of the COVID-19 outbreak, following which the numbers continue to rise year after year, eventually surpassing the 2019 total.

Fig 1: Tourist arrivals before and after 2019



Source: ciecdata.com and hindustantimes.com

7. TOURISM AND GDP

The tourism sector makes a substantial contribution to global economic output. According to estimates by the World Travel & Tourism Council (WTTC), the total contribution of travel and tourism to the world economy in 2014 amounted to US\$7.6 trillion, representing 9.8 per cent of global GDP. This share increased to 10.3 per cent in

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2019 but declined sharply to 5.3 per cent in 2020 as a result of widespread mobility restrictions imposed during the COVID-19 pandemic. A gradual recovery was observed in 2021, with the sector's contribution rising to 6.1 per cent of global GDP (WTTC, 2021). In the context of India, travel and tourism accounted for 6.9 per cent of national GDP in 2019, which subsequently fell to 4.7 per cent in 2020 due to pandemic-related disruptions (WTTC, 2021). At the regional level, the travel and tourism sector contributed approximately 7 per cent to the Gross State Domestic Product of the erstwhile Jammu and Kashmir, highlighting its economic importance (Digest of Statistics, J&K, 2019–2020).

8. TOURISM AND EMPLOYMENT

Travel and tourism created 2.1 million new employments directly in 2014 (worldwide), with a total of 6.1 million jobs created internationally as a result of direct, indirect, and induced activity. In 2020, 62 million jobs were eliminated, indicating an 18.6% reduction from 333 million in 2019. In 2021, 18.2 million jobs were regained, indicating a 6.7% year-on-year growth globally (WTTC). In India, the travel and tourism sector contributed 8% of total employment in 2019, which amounted to more than 4 crore jobs, but it fell to 7.3% in 2020, accounting for more than 3 crore jobs (WTTC, 2020). The tourism industry in the UT of J&K employs approximately 70 thousand people, including hotel employees, tour operators, taxi drivers, and souvenir merchants (greaterkashmir.com). The sector has the potential to be a significant source of job creation if people are made aware of the opportunities available. The active participation of local residents can be beneficial in this regard.

9. TOURISM AND INFRASTRUCTURE DEVELOPMENT

The performance and sustainability of the tourism sector are closely linked to the availability and quality of infrastructure at tourist destinations. Essential infrastructure components such as road connectivity, sanitation, electricity supply, accommodation facilities, hotels, and related amenities play a decisive role in shaping tourists' experiences. Consequently, strengthening infrastructure is a prerequisite for the expansion of tourism, as well-developed facilities enhance comfort, accessibility, and overall satisfaction, thereby attracting greater tourist inflows. Well-equipped destinations enable visitors to spend both time and financial resources in a meaningful and rewarding manner (Santek Consultants, 2020). Moreover, tourism development often stimulates the creation of multi-purpose infrastructure that benefits local communities, including improved transport networks, healthcare services, and recreational facilities, alongside hotels and premium restaurants catering to visitors (CBSE). Projections indicate a substantial rise in tourist arrivals in Jammu and Kashmir, necessitating significant expansion of accommodation and transport infrastructure to manage increased demand (Santek Consultants, 2020). Inadequate infrastructure has long been identified as a major constraint to tourism development (Bhatia, 1978), underscoring the need to prioritize infrastructure development as a foundational strategy for tourism growth.

10. TOURISM AND RURAL DEVELOPMENT

Tourism serves as a stimulus for the development of a region's remote and underdeveloped areas. Tourism development will drive advancement in rural/backward areas (SWOT analysis, J&K planning). Tourism has shown to be a major economic growth driver, shifting capital, income, and employment from industrial, urban, and developed areas to non-industrial areas. The main relationship in rural tourism is between tourism development and complete rural development, which includes rural services, new enterprise attraction, conservation, a broader role for women, and inward investment (OECD 1994). J&K has a rural population of 72.62% who largely rely on agriculture and related activities for a living (Census 2011). It is clear that the majority of urban tourists visit the naturally scenic spots found in rural areas. Development of rural tourism is critical for increasing rural people's incomes and raising their level of living. In 2016-17, 45 rural tourist projects were sanctioned under the Prime Minister's Reconstruction Plan (PMRP) initiative, with a total of 27.97 crores. As a result, the Indian government is aiming to encourage rural tourism, which will benefit rural communities and narrow the rural-urban divide.

11. TOURISM AND WOMEN EMPOWERMENT

The tourism industry aids in the empowerment of women. In some nations, the tourist industry employs nearly twice as many women as other sectors. Women make approximately 60 to 70% of the labour force in the hotel industry. A study in Bulgaria found that 71% of tourist managers and administrators are women, compared to 29% in the country as a whole (International Labour Organization). According to a recent report by the World Travel & Tourism Council (WTTC) titled *Travel and Tourism: Driving Women's Success* (2019), women account for approximately 12.1 per cent of total employment in India's travel and tourism sector. Globally, women's participation in organized tourism-related activities—across business, trade, and industry—has been substantial

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and steadily increasing. In contrast, the pattern of women's involvement in tourism within the Union Territory of Jammu and Kashmir presents a distinctive regional variation. Field-based evidence suggests that women entrepreneurship is relatively prominent in the Ladakh region, while women demonstrate moderate participation in hospitality-related services in the Jammu region. However, women's engagement in tourism entrepreneurship in the Kashmir region remains minimal. A notable exception to this trend is the handicrafts sector, where women play a significant role in production, with these goods largely marketed through tourist channels, thereby contributing indirectly to the regional tourism economy (Santek Consultants, 2020).

12. TOURISM AND ENVIRONMENT

Tourism has both beneficial and negative effects on the ecology at the sites. Positive consequences include enhanced environmental management and planning, increased environmental awareness, environmental protection and preservation, and others. The negative implications include the depletion of natural resources such as water and local land, pollution of the air and noise, solid waste and littering, sewage, and the destruction and change of ecosystems. Environmental assessments conducted by various ecological agencies indicate significant degradation of key natural assets in the Union Territory of Jammu and Kashmir. Studies reveal that the Kolahoi Glacier has retreated by approximately 18 per cent over the past three decades, highlighting the impacts of climate change and anthropogenic pressures (Khan *et al.*, 2017). Similarly, major freshwater bodies such as Dal Lake in Srinagar and Wular Lake in Bandipora are increasingly threatened by pollution, encroachment, and unplanned development. A report submitted in 2018 to the former Governor of Jammu and Kashmir, N. N. Vohra, by the Dredging Corporation of India noted that the area of Dal Lake has reduced from its commonly cited 22 square kilometres to nearly 10 square kilometres, while historically it extended to about 75 square kilometres around 1200 AD. The condition of Wular Lake, recognized as the largest freshwater lake in Asia, is equally alarming. According to the Wular Lake Action Plan (2007), the lake covered 217 square kilometres in 1911, including extensive marshlands, but has since shrunk to nearly half its original size due to agricultural expansion and construction activities. These trends underscore the urgent need for effective environmental planning, strict regulatory enforcement, and large-scale awareness programmes. Sustainable tourism development requires active participation from both local communities and visitors to conserve these fragile ecosystems and ensure the long-term viability of the region's natural heritage.

13. MISCELLANEOUS

There are various other impacts of tourism on the economy, society and ecology of the world. Other advantages include earning foreign cash, generating income, reducing poverty, altering the pattern of land use, social transformation, etc. Because tourism is seen as an economic diversification strategy that helps stabilize the migration of young people from small towns due to unemployment, it plays a significant role in preventing rural-urban mobility (Lankford *et al.*, 2017). Furthermore, through backward and forward connections with industries like agriculture, horticulture, handicrafts, transportation, construction, etc., tourism has a greater influence on other economic sectors (Sachdeva and Ganai, 2017). Despite all of these positive effects, tourism can also have negative consequences that can be avoided if stakeholders in the tourism development process operate responsibly and prevent concentrations of power or wealth. Furthermore, social activist organizations and non-governmental organisations (NGOs) might step forward to raise awareness among host communities and visitors about the negative effects of poor behaviour on the tourism industry.

14. CONCLUSION

The foregoing discussion clearly demonstrates that the tourism sector plays a pivotal role in the economic development of Jammu and Kashmir. At present, it is imperative that all stakeholders associated with the sector collaborate effectively to ensure its sustained and inclusive growth. This is particularly relevant for the Kashmir division, where limited industrialization and a relatively weak private sector constrain alternative avenues of economic expansion. Given the region's vast tourism potential, the sector can emerge as a leading driver of overall economic development. The identification and development of new tourist destinations would facilitate the diffusion of economic benefits to remote and rural areas while simultaneously reducing pressure on established sites. In addition, the provision and upgradation of essential infrastructure are necessary to support the long-term growth and resilience of the tourism sector. Policy support from the government, combined with active community participation, is crucial for achieving sustainable outcomes. This can be accomplished through awareness generation, skill development initiatives, and access to financial assistance for local stakeholders. Furthermore, both residents and visitors must be sensitized to environmental concerns, as the tourism industry in Jammu and

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Kashmir is fundamentally dependent on the preservation of its natural assets, including landscapes, water bodies, biodiversity, and scenic beauty.

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