

Economic prospectus of emerging tourism in Kashmir valley

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Abstract

The Paper shall be analyzing in detail the role of tourist potential in the valley of Kashmir and accordingly its impact will be correlated and that way its role in the growth and development of other sectors of economy will be focused out. Since tourist resource potential from ancient times has been considered as an active variable for promoting and accelerating the growth of gross domestic product (GDP) and consequently plays an important role in maintaining economic buoyancy and at times accelerating its momentum. Since the frequency of tourism in the valley of Kashmir day-in day-out has maintained higher frequency and consequently generated income elasticity which has acted as a catalyst in creating more employment opportunities. Besides, trend in tourist growth will also be profiled out and accordingly future assessments can be formulated.

Keywords: Tourist potential, unique physiography, side valleys, snowcapped mountains, landscape. Frequency, catalyst

Introduction

Significance of the Study

The research paper can help planners, social scientists, administrators in framing better policies for the development of tourist industry because it is a prime resource industry which can play a major role in generating employment opportunities and that way can play a major role in increasing GDP and GNP growth rates. In so doing there can be a vital role of tourist potential in socio economic development. Because growth in tourist potential is an important catalyst in promoting and accelerating socio-economic development of any region and that way application scenario of tourist industry get exceedingly important in contemporary economic planning. Developed countries have taken extensive research in this field. Asian countries have yet to analyze data in order to arrive at a higher level of economic development and political stability.

Database and Methodology

In present study the data has been collected from different government and other associated agencies allied with the tourism industry like Tourism Department, Directorate of Economics and Statistics etc. Moreover, data has also been collected from magazines, journals, survey reports, booklets as well as the literature published by Tourism Department from time to time. For primary data a questionnaire was developed for getting comprehensive information about the profile of tourists, their purpose of visit, preferences regarding facilities, activities and attractions etc. Different cross sections of the society who are linked with this industry have also been interviewed and the information was collected. Various statistical techniques were used to find out the relation between tourist flow and income generation.

Results and Discussion

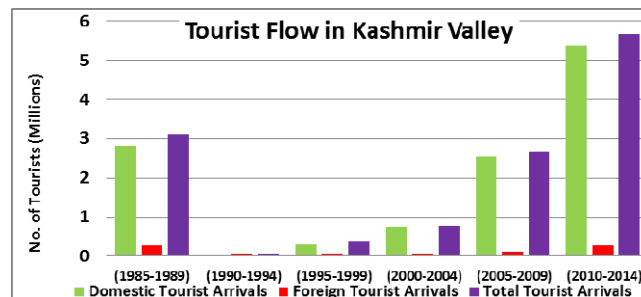
Location of Kashmir valley in the laps of Himalayas, drained by serpentine river Jhelum and its tributaries has made the valley a multi-destination tourist place. Since times

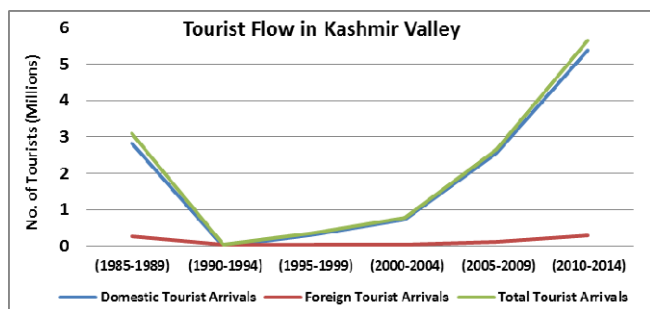
immemorial the valley has been hosting the tourists from the world. The Valley surrounded by snow clad mountains, lush green forests, presence of springs and lakes provide a base for tourism. Ranging from eco-tourism to pilgrimage tourism valley has a great potential of tourism development. The side valleys spreading from north to south have always served as new windows for exploration of tourism opportunities, as these valleys act as base camps for adventurous tourism. Lakes and springs of valley also act as a base for pilgrimage tourism as they are considered by many religions of the world. The presence of various shrines of great *Sufi* saints in the valley is of great significance in terms of tourist potential. From ancient times valley has been the cradle of various civilizations and was ruled by great kings who built monuments which have been the elements of tourist attraction.

Table 1: Tourist Flow in Kashmir valley from 1985 to 2014

Year	Tourist Arrivals		
	Domestic	Foreign	Total
1985-1989	2818587	276366	3094953
1990-1994	9620	36003	45623
1995-1999	307522	54278	361800
2000-2004	736039	43713	779752
2005-2009	2543386	110074	2653460
2010-2014*	5370615	285416	5656031

Source: JK Tourism Department; *JK Statistical and Economic Survey.





The valley of Kashmir lying towards North of India situated between 33° 20' and 34° 54' North latitudes and between 73° 55' and 75° 35' East longitudes and is roughly 80 miles long and 25 miles wide. The scope of large-scale industrialization is very limited and the potentialities of agricultural development are also scarce. The role of tourism is immense in the development of the economy. Tourism is an important instrument of employment creation. Being labor-intensive industry, it has vast potentiality to provide jobs to the people with minimum of investment. As compared to other sectors of economy it creates jobs more easily and more quickly [1]. It offers suitable openings to a large number of unemployed persons in different cadres and professions such as travel agents, tour conductors, guides, porters, photographers, transport operators and many other people at different hierarchical positions in an organization.

Tourism has become one of the most important phenomena of man's spatial behavior in modern times. Tourist money coupled with varied ideology further cause numerous changes in every sphere of life. Economic transformation through tourism has now normally been accepted by all and accordingly tourism has been recognized as an industry. It increases employment and income potential in almost every sector of economy at national, regional and local level [2].

Local hotels, restaurants, transport all provide direct job avenues to the local people [3].

The valley of Kashmir for scenic beauty is visited especially by thousands of domestic and foreign tourists. Tourism brings a number of social and economic benefits like promoting of national integration and international understanding, creation of employment opportunities, removal of regional imbalances, opening up of new growth centers, augmentation of foreign exchange earnings and so on. Tourism has proved to be successful in generating State's income. Being a multi-segment industry, the hotels and restaurants, transportation service, tourist resorts, amusement parks, sales outlets of handicrafts, jewellery, paper machine etc. provide services to both tourists and the non-tourists and contribute in the process of income generation in the state. The process of income generation starts with the money spent by tourists. Every unit of money spent by the tourists circulates in the economy and brings prosperity in the economy. The money spent by tourists goes into circulation in the economy through accommodation and meals in hotels and restaurants; transport for sightseeing, entertainment, photography and clothing etc. In this circulation money goes on adding its value. Ultimately, it creates a chain-reaction in the economy [4].

Many economically backward areas of the valley contain areas

of high scenic beauty and cultural attractions. If the government develops these areas for tourists, they can bring a lot of prosperity to the local people. Tourism development in these areas may play a very important role in generating employment. The development of Paha gam, Gulmarg, Achhabal, Kokernag etc. give positive evidences for the contribution of tourism to the development of backward areas in the valley of Kashmir. These places were relatively unknown villages with dismal economic activity and now are well known tourist resorts.

Generally economic impact is regarded as positive; it broadens and diversifies the economic base, increase income and provides employment to the people. But however, social and environmental impacts are not always positive, instead they become even negative [5].

Tourism plays a vital role in social change and brings gradual and radical changes in the cultural values and traditions of the people. Tourists not only bring money to a region, but also bring a strong visible life style with them. Their dress, food habits and merry making manners – all bring some newness and uniqueness in the region of their travel. That way there is a positive socio-cultural exchange and accordingly changes social stratification of a region [6].

Kashmir valley by virtue of colorful festivals, historical monuments and palaces, folk music and dances, traditional art and culture, is very popular among the national and international tourists. It has been seen that Kashmiri handicrafts, traditional dresses are becoming much popular among the tourists and they also wear the traditional Kashmiri dresses of the valley.

The income effects of tourism are spread over almost all the sectors of economy. Expenditure by a tourist in a sector becomes the income of that very sector in particular and ultimately adds to the gross domestic product (GDP) of the region. To calculate the income generated through tourism in Kashmir valley following formula has been used:

$$ITT = PCE \times N$$

Where

ITT = income through tourism at current prices;

PCE = per capita expenditure by the tourist at current prices;

N = Number of tourists who visited the valley in the reference year.

Per capita expenditure by the tourist (PCE) can be calculated by using the following formula:

$$PCE = E \times D$$

Where

PCE = per capita expenditure by the tourist at current prices;

E = per day expenditure by a tourist in the valley

D = average stay days of a tourist in the valley [7]

Present study is based on: (i) survey conducted by the Directorate of Tourism, J&K Government for the year 1987 and 1998; and (ii) survey conducted by the Directorate of Statistics and Economic Survey, J&K Government for the year 2004 and 2011 (iii) the survey conducted by the researchers in the year 2014-15.

Table 2: Per Capita Expenditure of Tourists in the Kashmir Valley

Survey conducted by	Year of Survey	Per Capita Expenditure	
		Domestic Tourists	Foreign Tourists
Directorate of Tourism, J&K Govt.	1987	1906	4510
Ditto	1998	2700	8000
Directorate of Statistics and Economic Survey, J&K Govt.	2004	3520	10500
Ditto	2011	4210	13800
Researchers	2014-15	4830	18000

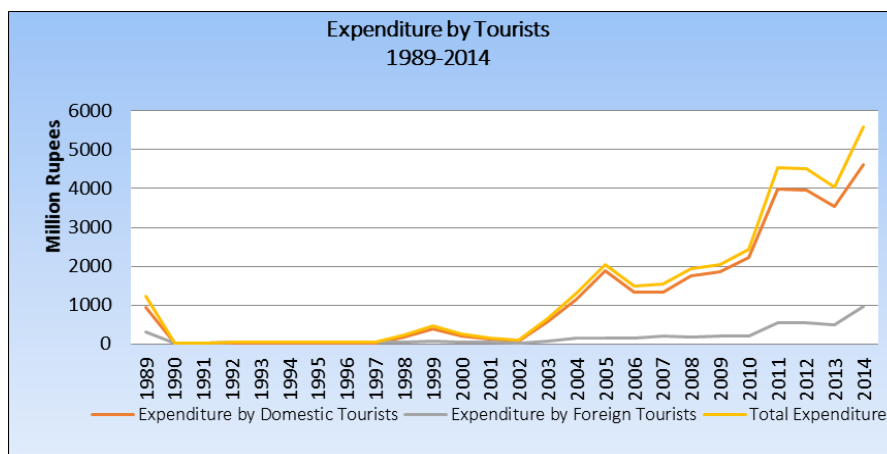
The above table reveals that the per capita expenditure by foreign tourists is high as compared to domestic tourists. The foreign tourists, coming from rich and prosperous countries, always prefer to accommodate themselves into rich hotels where they get better facilities and better entertainment. These

facilities are always present in A-class hotels, not in lower class hotels. Most of the domestic tourists need not such facilities because their economic conditions are not so good as compared to the foreign tourists.

Table 3: Income Generated by Tourism Industry from 1989 – 2014

Year	Expenditure (in million rupees)		
	by Domestic Tourists	by Foreign Tourists	Total Expenditure
1985-1989	2312.87	1912.09	4224.960
1990-1994	952.68	467.98	1420.660
1995-1999	585.293	244.794	830.087
2000-2004	2133.963	302.819	2437.170
2005-2009	8138.835	880.592	9019.427
2010-2014	18368.717	2728.094	21096.811

Source: Directorate of Statistics and Economic Survey, J&K Govt. Director Tourism Department, J&K Govt.



The above table gives us the information about income generated by Tourism industry in Kashmir valley from 1985-2014. During 1985-1989, a contribution of about Rs. 4224.96 million was made by the tourism industry in the valley which fall to 1420.66 million during 1990-1994. The economy of the valley got a great jolt in 1990 because of downfall of tourist arrivals, the reason being the unavoidable circumstances in the valley. As a result the income through tourism shows a substantial decrease and after declining to-an all-time low of Rs. 247.08 lakh in 1991, only Rs. 830.087 million was generated by the tourism industry in the valley during 1995-1999 [8]. After which it steadily increases to Rs. 2437.17 million during 2000-2004. During 2005-2009 the number reached up to 9019.427 million while it touched the mark of 21096.811 million for the period of 2010-2014.

Though the tourist flow was low but their per capita expenditure has increased very much. The average per capita expenditure of domestic tourists was only Rs. 1906 in 1987 which reached up to Rs. 3200 & Rs. 4300 in 2002 & 2014 respectively. Similarly the average per capita expenditure by the foreign tourists was recorded Rs. 4510 in the year 1987 which increased up to Rs. 8000 & Rs. 15000 in 2002 & 2014 respectively. The total contribution made by the tourist industry in the year 2014 amounted to Rs. 557.65 million rupees. Although the tourist industry has gained too much but not so good as it was in 1989. The environment of our valley has changed to a great extent and the tourists are coming now without any fear. The state government has taken and is taking favourable steps for the development of tourism industry and as such this industry will make a progress in the years to come.

Table 4: Trend Analysis of Tourist Flow

Year (t)	Tourist flow			x (a-m)	x ²	Xy
	Domestic	Foreign	Total (y)			
1985-89	490212	67762	557974	-3	9	-1673922
1990-94	9620	36003	45623	-2	4	-91246
1995-99	307522	54278	361800	1-	1	-361800
2000-04	736039	43713	779752	0	0	0
2005-09	2543386	110074	2653460	1	1	2653460
2010-14	5370615	285416	5656031	2	4	11312062
N=25			Σy=10054640	Σx=-3	Σx ² =19	Σxy=11838554

$$Y_t = a + bx \tag{1}$$

$$\sum Y = Na + b \sum x \tag{2}$$

$$\sum xy = a \sum x + b \sum x^2 \tag{3}$$

Putting values of $\sum Y$, $\sum x$ and N in equation (2), we get

$$10054640 = 25a + b(-3)$$

$$\Rightarrow 10054640 = 25a - 3b$$

$$\Rightarrow 25a - 3b = 10054640 \tag{A}$$

Now put $\sum xy$, $\sum x$, $\sum x^2$ in eq. (3)

$$11838554 = a(-3) + b(19)$$

$$11838554 = -3a + 19b$$

$$-3a + 19b = 11838554 \tag{B}$$

Multiply (A) by 3 and (B) by 25 we get, then add A & B

$$75a - 9b = 30163920$$

$$-75a + 475b = 295963850$$

$$466b = 326127770$$

$$b = 699845$$

Again putting value of 'b' in (A), we get

$$25a - 3(699845) = 10054640$$

$$25a = 10054640 + 2099535$$

$$25a = 12154175$$

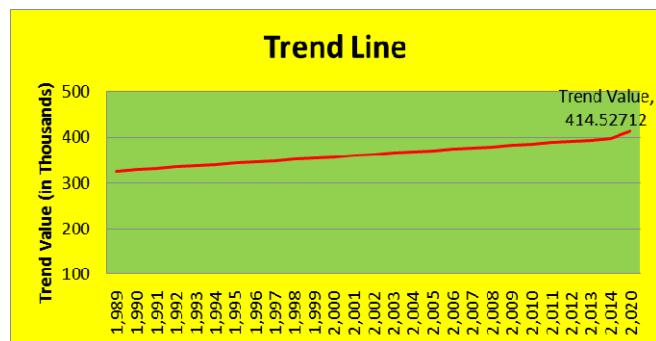
$$a = 486167$$

Substituting values of 'a' and 'b' in equation (1), we get

$$Y_t = 486167 + 699845(X)$$

Table 5: Trend Value

Year	X	Y _t = 486167 + 699845 (X)	Y _t
1985-1989	-3	486167 + 699845 (-3)	-1613368
1990-1994	-2	486167 + 699845 (-2)	-913523
1995-1999	-1	486167 + 699845 (-1)	-213678
2000-2004	0	486167 + 699845 (0)	486167
2005-2009	1	486167 + 699845 (1)	1186012
2010-2014	2	486167 + 699845 (2)	1885857
2015-2020	3	486167 + 699845 (3)	2585702



Concluding Remarks

The research paper has been carried out within a comparative methodological framework dealing with impact of tourist potential on socio-economic development in the valley of

Kashmir. However, following main observations have been deduced:

1. The correlations reveal that a positive impact meaning thereby tourism can be a leading economic potential for employment in times to come.
2. It has been summed up that there has been a vital flow of tourists in the value of Kashmir both at national and international level which of course are creating and generating an economic boom within the valley. If taken care of this flow of economy can solve unemployment process in broader perspectives.
3. Regression analysis figure out that in future tourist trend will increase and accordingly other socio-economic variables will also be affected positively. This way forward tourism structure will get generated which can lead to progress and prosperity in the state as a whole and consequently growth and development in other sectors of economy will gain momentum. However, government planners have to take positive steps for necessary infrastructure facilities for existing tourist potential and also for exploring tourist potential.

References

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4. Singh Jasbir. The Economy of Jammu and Kashmir, Radha Krishan Anand & Co., Jammu Tawi, 1988, 117-19.
5. Singh AP. Himalayan Environment and Tourism, Chuch Publications, Allahabad, 1989, 265.
6. Singh AP. 1989, 265-66.
7. Desh, Bandhu. op. cit., 1989, 180-81.
8. The tourism industry had played a positive role in the economy of Kashmir valley up to 1989 after which the tourist flow shows a gradual decline up to 1996 because the atmosphere was not conducive for tourists and finally the tourist flow has shown an upward trend since, 1997.