
Tourism and Socio-economic Development in Developing Regions: A Case Study of Kashmir

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Abstract: *Tourism is considered a major tool of economic development round the globe and in the recent decades it has proved its potential by emerging as the fastest growing industry, contributing about 9% to global Gross Domestic Product (GDP). Jammu and Kashmir also known as the “Paradise on Earth” is among the most important tourist destinations of the world. This paper looks at issues surrounding sustainable tourism as a tool for local socio-economic development in Kashmir. It is estimated that almost 40-45% of total population of J&K is directly and/or indirectly engaged in tourism related activities. Tourism contributes about 15% to State Gross Domestic Product. Despite being a leading industry of J&K, concrete steps of its economic impact on state are still lacking. Emphasis will be put on causes/strengths like rich heritage and culture, great hospitality and beautiful landscape among the likewise which act as architects in the economic development of J&K. The purpose of this study will be to provide some feasible suggestions based on the findings which may prove valuable for the future development of tourism in Jammu and Kashmir.*

Keywords: Tourism, Economic Development, Employment, Infrastructure, Tourist Inflow, sustainable tourism development.

Introduction

The concept of sustainable tourism attempts to complement and resolve issues of intergenerational equity, and the goals

of economic growth, environmental protection and social justice. It recognizes the need for fairness between local individuals and groups, and between hosts and guests (Mbaiwa, 2005). If the concept of sustainable tourism is transformed into action, it is likely to contribute to the sustainability of the environment, social and cultural resources and total socio-economic development. The increasing popularity of the concept derives from the widely held view that there is a need to alter current forms of consumption that perceive existing resources as being infinite.

A lot of attention has been paid to the economic and ecological aspects of sustainable development, especially at the national level (Roe & Khanya, 2001), but little has been given to the analysis of the implications of sustainable tourism on specific local communities and on the industry's impact on the quality of life and on socio-ecological aspects of communities that are directly affected by the tourism industry, particularly in developing regions such as Kashmir. This paper addresses those issues.

Tourism development in Kashmir

Kashmir provides a good example of a developing region that has incorporated tourism as a tool for socio-economic development. Kashmir has increasingly become a popular tourist destination for visitors from all over the world. It will not be contrary to acknowledge that Kashmir as a tourist attraction has gained world fame and the tourists all over the world tend to visit in

increasing numbers with every passing year. (Table1& 2).

Table 1. Country-wise number of foreign tourists coming to Kashmir Valley (000 Nos)

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Canada	0.32	0.41	0.45	0.44	0.42	0.27	0.39	0.62	0.68	0.57	0.54
U.S.A	1.32	1.33	2.07	1.62	1.33	0.92	1.29	2.00	1.14	1.04	2.29
France	0.59	0.76	0.92	0.79	1.04	0.88	0.87	1.08	1.08	0.99	0.77
Germany	0.68	0.70	0.71	0.66	0.71	0.66	0.97	1.31	1.77	1.45	1.17
Italy	0.78	0.62	0.80	0.61	0.50	0.33	0.41	0.67	0.63	0.62	0.82
Netherland	0.33	0.23	0.09	0.18	0.48	0.11	0.38	0.22	0.06	0.06	0.21
Spain	0.36	0.34	0.39	0.38	0.34	0.29	0.39	0.54	0.38	0.37	0.50
Switzerland	0.27	0.33	0.22	0.22	0.01	0.18	0.27	0.37	0.30	0.29	0.25
Russia	0.21	0.26	0.36	0.60	0.67	0.75	0.62	1.16	0.71	0.70	0.46
S. Africa	0.79	0.74	1.19	0.97	0.80	1.20	1.49	1.62	0.75	0.74	0.78
Malayasia	1.67	1.87	1.56	1.02	0.64	1.72	4.68	5.09	2.48	2.36	2.72
Japan	0.29	0.21	0.25	0.18	0.30	0.15	0.31	0.36	0.38	0.36	0.43
Australia	0.61	0.60	0.71	0.71	0.55	0.60	0.78	0.98	0.92	0.88	0.90
Newzealand	0.18	0.14	0.18	0.31	0.18	0.17	0.16	0.23	0.31	0.29	0.23
Iran	0.18	0.14	0.01	0.12	0.05	0.03	0.20	0.15	0.10	0.08	0.16
Belgium	0.16	0.18	0.23	0.18	0.25	0.17	0.19	0.27	0.32	0.28	0.31
U.K.	1.40	1.69	1.80	1.88	1.61	1.45	1.36	2.15	2.41	2.31	2.49
Sweden	0.15	0.09	0.10	0.16	0.24	0.12	0.21	0.25	0.29	0.27	0.16
Others	9.57	9.51	12.54	10.45	13.81	15.95	17.14	18.10	14.42	13.51	13.79
Total	19.68	20.01	24.58	21.59	23.91	25.95	32.11	37.11	29.14	27.17	28.95

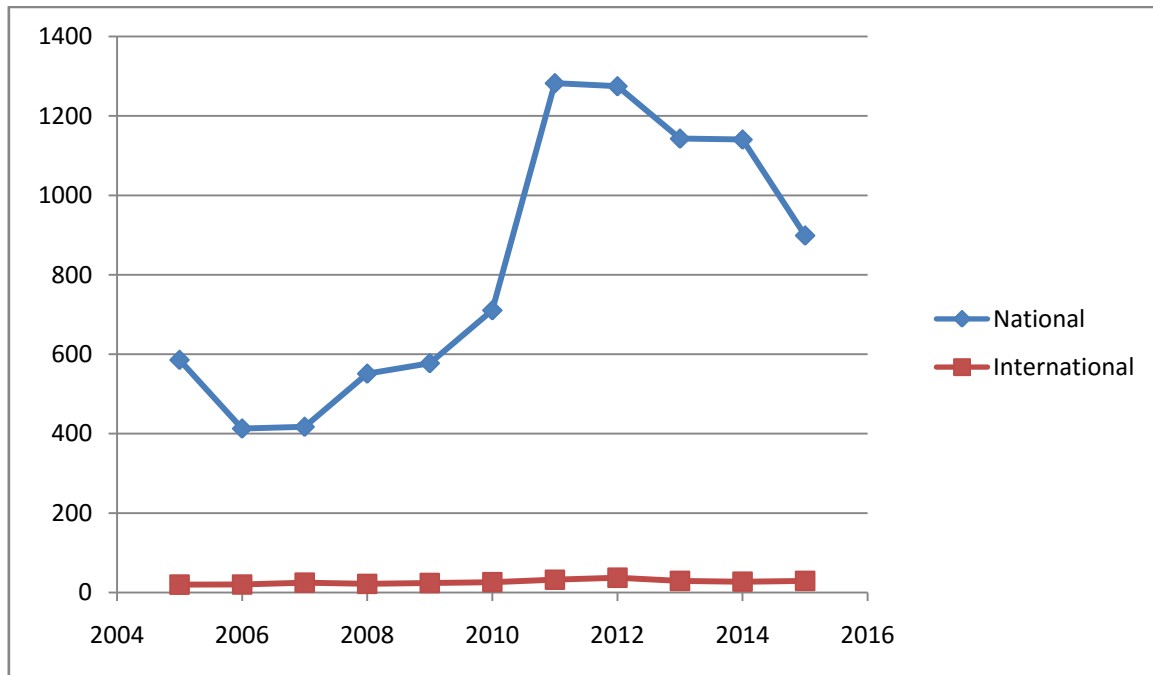
Source: Directorate of Tourism, Kashmir

Table 2. Tourists coming to Kashmir Valley (000 Nos)

S.No.	Year	National	International	Total
1	2005	585.70	19.68	605.38
2	2006	412.88	20.01	432.89
3	2007	417.26	24.58	441.84
4	2008	551.04	21.59	572.63
5	2009	577.34	23.91	601.25
6	2010	710.50	25.98	736.48
7	2011	1282.36	32.12	1314.47
8	2012	1274.67	37.17	1311.84

9	2013	1142.87	29.14	1172.01
10	2014	1140.45	27.17	1167.62
11	2015	898.86	28.95	927.82
12	2016	1274.59	24.51	1274.59

Source: Directorate of Tourism Kashmir/Jammu



The Kashmir receives over 1% of the total international tourist arrivals to India, and the relative importance of tourism in Kashmir’s economy has risen steadily over the last 40 years (Government of Jammu And Kashmir, 2015). However, to be of any meaning to marginalized local communities and individuals, especially in developing regions such as Kashmir, tourism development should be part of a broader alternative policy framework that is designed to achieve a sustainable society. Sustainable tourism development should, therefore, not be seen as an end in itself, but as one of the several alternative development strategies that can assist local communities overcome their socio-economic and developmental weaknesses, preserve their strengths and enhance their developmental opportunities. Kashmir is

the leading tourist Centre in northern India, with the highest concentration of tourism and hospitality facilities and infrastructure.

The percentage of population living below poverty line in rural and urban area of J&K has been estimated at 11.54% and 7.20%, respectively, while as the total percentage of the population living below poverty line is 10.35. It is estimated that around 73 per cent of population lives in rural areas and the state has initiated a number of poverty-alleviation schemes to mitigate rural and urban poverty.

“As per the consumer expenditure report of the 68th Round of the National Sample Survey (2011-12), the average monthly per capita expenditure based on the mixed modified reference period in rural areas of

J&K stood at Rs 1,601.51 which is lower than that of its neighboring states.”.

As per the Socio Economic and Caste Census-2011 conducted by the Ministry of Rural Development, the number of households in the state having ‘no houses’ is 2,518 with 2,318 households in rural areas and 263 households in urban areas.

J&K whose population and geographical area are almost double that of Himachal Pradesh is trailing behind it by Rs 54,119 in respect of the per capita income (2015-16 NSDP). The main reason of the backwardness of J&K is that it is a “conflict area”.The consequences of this abject poverty and social deprivation is reflected in an increased incidence of insecurity, drug-taking, hunger and malnutrition, high levels of illiteracy, an increased incidence of child labour, domestic violence and family breakups especially in rural areas.

In this regard, it should be asked, if tourism is a main economic sector in Kashmir, what role is the industry playing in the improvement of the living conditions of the local people? Is tourism an appropriate tool for sustainable local socio-economic development? This study addresses some of the critical issues on sustainable tourism development, particularly as it relates to equitable distribution of the tourism benefits to different stakeholders, local participation in tourism decisionmaking processes, the leakage rate and multiplier effects of tourism and its marketing.

Methodology

This research uses a case study of Kashmir to analyse the role played by tourism as an option for sustainable local community development. It examines tourist motivations for visiting Kashmir, their responses to the area and sets this study against local residents’ views of the tourist industry.

The study population consisted of: (1) local people living in Kashmir and (2) tourists in the same area. Cluster sampling was applied to select the sampling units (i.e. Srinagar, Baramulla and Anantnag) where most local people reside. Convenience sampling techniques were applied to recruit respondents from each sampling unit. Data collection was by a combination of questionnaires, interviews and field observation. Questionnaires and field interviews were administered in locations such as hotels and restaurants, entertainment centers, attraction sites and along the streets and residential areas. In addition, scheduled interviews and structured dialogue was conducted with selected private and public sector representatives, local community business unit holders.

Two types of questionnaires were administered – one for local people and the other for tourists. Each questionnaire was divided into three sections. The first section covered general socio-demographic attributes, while the second section addressed overall issues on tourism development such as existing tourist attractions, forms of interactions between residents and tourists, and the use of local tourism resources and recreational facilities. The last section of the questionnaire probed the role of tourism as a tool for local socio-economic development including existing forms of tourism employment, local decision making processes, ownership and management of tourism resources, forms of tourism marketing and the distribution of tourism revenues among various stakeholders.

This study was undertaken from June to Aug 2016 and Dec to Feb 2017. Two hundred and fifty international tourists and a similar number of local residents were interviewed. The data collected was organized, tabulated and analyzed using computer statistical packages.

Research Findings

International tourists

A summary of findings is given in (Table 3). 31.2% of the international tourists were travelling under an inclusive tour package. As is usually the characteristic of all-inclusive tour package travel arrangements, most international tourists (66%) stated that they were staying in high-class resort hotels (i.e. 3- to 5-star hotels) for a period of 7–21 days.

A significant 32% of the international tourists stated that it was mainly the unique and diversity of hill stations that

motivated them to visit Kashmir. 24 percent listed the region’s pleasant weather conditions and 14% listed unique indigenous cultures. Another 21.2% stated that the beauty of Dal Lake and magnificence of Mughal Gardens drove them to visit the place. 8.8% tourists cited that due to unique wild life attraction especially that of Kashmir Stag “Hangul” they preferred to visit the place. Another 14% tourists stated that the unique cultural attraction and ethnicity was of great attraction for them and did not want miss the opportunity to experience such culturally rich region.

Table 3. Interview responses of international tourists

Item	No. of respondents	Percentage (%)
Reasons for visit		
(a) Unique cultural attractions	35	14
(b) Dal lake & Mughal Gardens	53	21.2
(c) Unique wildlife attractions	22	8.8
(d) Pleasant climate	60	24
(e) unique Hill stations	80	32
Purpose of the visit		
(a) Holiday	180	72
(b) Visit friends and relatives	19	7.6
(c) Business	21	8.4
(d) Others	30	12
Type of accommodation		
(a) Five star hotel	24	9.6
(b) Four star hotel	92	36.8
(c) Three star hotel	49	19.6
(d) Two star hotel	40	16
(e) Campsite	5	2
(f) Guest house	37	14.8
(g) Staying with friends/relatives	3	1.2
Trip duration		
(a) 1 day	3	1.2
(b) 2–3 days	16	6.4

(c) 4–7 days	48	19.2
(d) 8–14 days	131	52.4
(e) 15–21 days	36	14.4
(f) 22 days or more	16	6.4
Mode of travel		
(a) An inclusive tour package	78	31.2
(b) Individual travel arrangements	172	68.8
Services in packaged tour		
(a) Return ticket	142	29.3
(b) Accommodation	132	27.2
(c) Car rental	1	0.2
(d) Meals at restaurants	57	26.2
(e) Tickets for park entry, museum	33	6.8
(f) other attractions	50	10.3

It can be argued that these motivational attributes derive from and/or are influenced by the marketing strategies used by overseas tour operators, Govt. agencies and overall the appealing attributes of the valley, particularly when marketing Third World destinations such as Kashmir. Commercials appearing in print and in the electronic media market Kashmir as a tourist destination for the ‘Big Five’ (Natural beauty, universal brotherhood, zero crime against tourists, Art and architect). When asked to name what they liked most on their trip, 40% of the tourists listed the friendly character of the local residents. Other aspects that the tourists liked included visiting Tulip Garden and the ski resort of Gulmarg. It is, therefore, interesting to note that although initially most of the international tourists had indicated that they had decided to visit Kashmir because of physical attractions, they mainly listed social and cultural attributes (i.e. the friendliness of the local residents and visiting tulip and Mughal Gardens) as the trip attributes that they liked most. Perhaps this is clear indication that although Kashmir’s cultural attractions are rarely marketed by overseas

tour operators, there is overwhelming latent demand for these attractions.

It can therefore be argued that Kashmir’s rich and diverse indigenous cultures have great potential for tourism development. Tourism research has shown that cultural attractions are becoming main motivational factors for global tourists. Furthermore, changing demographic and economic trends, including increasing levels of affluence, educational and cultural awareness encourages public demand for cultural attractions.

International tourists gave various ratings on product quality, from below average (the lowest rating) to excellent (the highest rating). Overall, an overwhelming 86% stated that they had received value for money in terms of service delivery in the hotels, unique cultural attractions and friendly people.

Local residents

Seventy percent of the local people affirmed that turmoil is the most serious problem that they face. Paradoxically, 90% of them stated that tourism has, over the years, benefited the people of the region. When asked to state the forms of benefits that accrue to local people from tourism,

54.4% listed employment opportunities, followed by 36.4% who listed the

availability of business opportunities (Table 4).

Table 4 Interview responses of local residents

<i>Item</i>	<i>No. of responses</i>	<i>Percentage (%)</i>
<i>Reasons for Visit</i>		
(a) Climate	90	36
(c) Historical features	60	24
(d) Variety of attractions	55	22
(e) Cultural aspects	15	6
(f) Excellent tourist facilities	14	5.6
(g) Friendly people	9	3.6
(h) Holiday	7	2.8
<i>Benefits to the Local Residents</i>		
(a) Employment creation	136	54.4
(b) Business opportunities	91	36.4
(c) Development of infrastructure	10	4
(d) Cross-cultural understanding	13	5.2
<i>Tourism Impacts (multiple responses)</i>		
(a) Drug trafficking	74	29.6
(c) Pimping and hustling	34	13.6
(d) High prices of commodities	95	38
(e) Acute housing shortage	11	4.4
(f) Overcrowded streets	23	9.2
(g) Police harassment of vendors	53	21.2
(h) Increased crime rates	69	27.6
(i) Water and pollution problems	41	16.4
(j) Environmental sewage	18	7.2
(k) Creation of jobs	101	40.4
(l) Preservation of culture and nature	54	21.6
(m) Increase understanding	46	18.4
(n) Undermining social values	53	21.2
(o) Natural environment pollution	39	15.6
<i>Who benefit most from Tourism</i>		
(a) The Government	67	26.8
(b) Hoteliers	90	36
(c) Tour and travel firms	60	24
(d) Local residents	33	13.2
<i>Point of Interactions with Tourists</i>		
(a) Place of dweller	45	18
(d) Streets and markets	65	26
(e) Tourists attractions	98	39.2
(f) Entertainment Centre's	42	16.8

In this regard, it is generally accepted that the development of tourism creates

employment and business opportunities for both the local community and other

tourism investors. Moreover, proponents of tourism contend that, since the industry is labour-intensive, it has great potential in creating employment opportunities, particularly in economically depressed regions. Hence, in many developing regions, the tourism industry is perceived as a major source for much sought-after employment and other source of income. However, the majority of local residents who work in the tourism industry in Kashmir and Ladakh tend to occupy unskilled, subservient and lowly paying positions including waiters, gardeners, porters, caretakers and security guards etc. It should be noted that about 23% of the total population in Kashmir is under the age of 15 years, and 8.4% is aged above 60 years as a consequence, the working population has to support a large and growing number of dependent population.

Discussion

At its face value, the development of tourism in Jammu and Kashmir in general and Kashmir in particular may appear to be successful and to a certain extent, the tourism industry can be said to contribute to socio-economic development at both the national and local level. The international tourists who were interviewed indicated that they had a good value and quality experience.

Likewise, the local residents contended that the tourism industry brought benefits to the local community in terms of job creation and business opportunities.

However, a critical evaluation of tourism development in Kashmir and its role in sustainable local community development presents a less optimistic scenario; local people are faced with challenging barriers to seizing economic opportunities created by tourism development.

Local empowerment and participation in tourism

Government of Jammu and Kashmir have mainly promoted large scale, capital-intensive tourism and hospitality projects such as high rise grand hotels, lodges and film tourism. Moreover, the formulation of tourism policy and planning in Kashmir is highly centralized, mainly involving top officials, elites and foreign consultants hired by central government. Local people are rarely involved in the provision of the core and profitable tourism and hospitality services such as transportation, accommodation, catering services and management of tourism facilities. Commenting on Third World tourism, Goodwin (1998: 4) states:

Local people are denied any significant opportunity to participate in the tourism market. Tourists are not accessible to the local community when they are within their hotels, coaches, safari vehicles or inside sites and attractions such as museums. These are all enclave forms of tourism, where those wishing to sell to tourists are often reduced to hawking at the enclave entry and exit points. Tourists on 'all inclusive' packages are particularly difficult for local entrepreneurs to access (and these sectors are growing rapidly).

Such scenarios are common in Kashmir, where local residents mainly engage in marginal and informal business activities (generating negligible profit) such as hawking and vending of souvenirs along streets. The provision of core tourism and hospitality services is controlled and managed by few affluent investors. Exclusion of local people from these core business areas significantly aggravates the gap between the 'fewer' rich and the 'majority' poor. The lack of knowledge of various facets of tourism product development and marketing inhibits effective participation by local people in tourism. The lack of democratic space and corruption makes it almost impossible for marginalized people to play any meaningful role in tourism development.

Sen (1997) argues that one factor which aggravates the gap between rich and poor is the powerlessness of the poor people who are usually unable to challenge the functionaries of the existing anachronistic tourism structures and hold them and the politicians accountable. Local people, particularly the more vulnerable groups, such as women and youth, need to be provided with a chance to build individual and collective capability in order to gain access to economic opportunities and basic living conditions. The lack of strong social organization makes this capacity-building difficult. Legislation alone cannot empower people. They need an enabling environment through education, motivation, empathy and support from enlightened political and professional organizations that work with them on their behalf. Enhancing the existing human and social capital base of the local residents will enable them to systematically interact with those wielding power on a more equitable and informed basis, and negotiate more effectively on issues that affect their wellbeing.

Local economic development

The economies of developing regions, particularly in Asian countries, are highly vulnerable and are affected by the processes of globalization and increasing dominance and control by multinational corporations (Rodricks, 2001). Debbage (1990: 515) postulates, 'the increasing oligopolistic structure of the international tourism industry indicates the intrinsic value of the profit cycle in explaining how oligopoly can shape the product-cycle of a resort'. The development of tourism in most Asian and other developing countries is increasingly being influenced by the unpredictable processes of global oligopoly (the increasing control of the tourism market by a small number of multinational companies). They can shift international tourism demand among

destinations in developing countries, depending on profit considerations, causing unforeseeable disruption to tourism development in third world regions. Further, the marketing of Kashmir's tourism product in tourist-generating countries, particularly in Europe and North America, is mainly under the control of overseas tour operators and travel agents. Goodwin (1998) and WTO(2002) suggest the following measures to counteract tourism revenue leakages:

- (1) Encouragement of local ownership and management of tourism resources, and small and medium enterprise development.
- (2) Enhancement of linkages (both inter- and intra-linkages) and partnerships to the local economy. Strong linkages between tourism stakeholders and the poor will enhance the multiplier effect, thus contributing to increased revenue retention and creation of employment opportunities for local people.

Hoteliers and tour operators need to work with local communities and local government to develop forms of tourism that would bring sustainable local development and provide richer experiences for both domestic and international tourists. Such partnerships can benefit both host communities and the tourism industry, retain tourism earnings in the local community and improve socio-economic problems. Tourism enclaves should be avoided. Partnership with local communities is particularly crucial; quite often the most vulnerable and marginalized groups have weak management skills and appreciation of travel industry requirements.

- (3) Develop local sources of supply to the tourism establishments. Most of the goods required are usually supplied from outside sources, retaining little expenditure

locally. Engaging with local suppliers by using local capital and resources and developing the skills necessary to deliver quality goods and services, consistently and at comparative prices, can increase retention of tourism revenues.

(4) Local economic development requires that tourism benefits be distributed beyond local or national elites to those who find employment in their hotels and agencies (Goodwin, 1998). Unfair and unequal benefit distribution brings more poverty.

Marketing and Promotion

The marketing and promotion of Kashmir's tourist attractions is mostly under the control of overseas tour companies and their local subsidiaries with little input from local residents on what and how attractions should be marketed in tourist-generating countries. The tour operators have specialized in designing and promoting destination images of developing countries such as India, aimed at communicating particular messages and information.

Hence, the image of Kashmir that appears in tourism brochures, on television and on websites is usually constructed and presented by external interest groups that may not necessarily represent the economic interests and cultural values of the local people. Equally, the lack of knowledge and understanding of the global tourism market, and financial constraints, impede local people from these processes. It can therefore be argued that local people have been disenfranchised in the commodification and marketing of local tourism resources. They are not involved nor are they represented. This raises fundamental questions particularly about the authenticity of cultural tourism products and the ultimate equitable distribution of the revenues that accrue from these products. When the international tourists arrive in Kashmir, they already have preconceived ideas and

expectations based on tour operators' marketing materials. A trip to Kashmir by most tourists is usually a routine and predictable affair, spending most time on the few hill stations, and possibly including brief organized excursions to Dal Lake, Old Srinagar city, Mughal Gardens, and Dachigam National Park. The spatial distribution and movement of international tourists in Kashmir is highly restricted. It has also been observed that international tourists are usually given inaccurate and exaggerated information concerning the local security situation. Tour guides inform tourists that areas with high concentrations of local residents have high rates of crime and mugging. This is intended to discourage tourists from venturing into any other areas of town apart from prescribed sites. However, this may be contrary to the real situation: most of the tourists interviewed indicated that local people were friendly and welcoming.

Conclusion

This study shows that current forms of tourism development in Jammu and Kashmir have not reduced poverty or contributed to the socio-economic empowerment of local people. Large scale capital-intensive tourism projects have led to increasing control of the region's tourism resources by powerful interest groups and the propagation of enclave tourism. Consequently, there is a high percentage of overseas leakage of tourism revenues, and limited linkages to the local and national economies. Local people are usually not involved in product development and product marketing, and derive minimal benefits from the tourism industry while bearing many of the costs. No clear tourism strategies and policies have been devised to enhance sustainable socio-economic development for local people.

If tourism is to contribute to sustainable local community development, there is an

urgent need for tourism development strategies centered mainly on

- (1) Expansion of local employment and self-employment,
- (2) Expansion of informal sector opportunities,
- (3) Development of partnership amongst public and private sectors, NGOs and local communities,
- (4) Improving social and cultural impacts,
- (5) Increasing local access to infrastructure and services provided for tourists,
- (6) Increasing participation of local people in decision making process and
- (7) capacity-building to enable their participation.

The success of tourism should therefore not be measured in terms of increased numbers of international tourist arrivals and gross tourism revenues, but should be evaluated according to how the industry is integrated with the local and national economy, and how the industry contributes to the overall development of local people at grassroots level.

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