

NEXUS BETWEEN TOURISM AND ECONOMIC DEVELOPMENT IN JAMMU AND KASHMIR: A REVIEW

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ABSTRACT

The tourism business contributes significantly to the destination's growth, both directly and indirectly. The current study reviewed the impact of tourism development on the economic growth of Jammu and Kashmir by looking at dimensions such as employment generation, infrastructure development, and regional development. The above factors were discovered to have both a good and negative impact on the destination's economy. In line with the finding of this study, a great deal of emphasis will be placed on hospitality management, cultural heritage, and infrastructure development, all of which will create jobs, generate income, and reduce overall poverty in the State, resulting in the unique tourism industry in the State that will keep us on par with tourism throughout India and the rest of the world.

Keywords: Nexus Development, Economic Development, Economy.

INTRODUCTION

Travel as a means of learning about the social system, culture, social demographic profiles, economic situations, government and public administration systems, and education for the traveler. The importance of the tourism sector in the economy of many countries throughout the world have been steadily expanding over the last several decades (Ren et. al., 2019). According to the United Nations World Tourism Organization's (UNWTO) estimations, the tourism industry worldwide achieved a new high in 2012, with US \$1075 billion in earnings. Because of the growing size of the tourist market, the impact of inbound tourism on national economies has become increasingly substantial (Lim and Pan, 2005). The Indian government has been motivated to improve the tourist visa policy, develop infrastructure, and rationalize luxury tax rates in accordance with best international practice due to the tourism sector's long-term ability to drive forward the concerned economic expansion and create employment at a faster rate than other segments of the economy (Ohlan, 2017). Tourism is a source of employment and a global industry that is examined within a specialized discipline. Tourism is significant because it impacts people's lives by enriching their understanding of the behavioral patterns of living in a pluralistic society, but it has also developed as an economic engine for a country's overall socio-economic development.

Tourism plays a vital role in promoting the economies of less developed countries. It enhances the transfer of wealth in the form of money from the traveler's origin to the traveler's destined country.

A Comprehensive Model on Impact of Tourism on Economic Growth

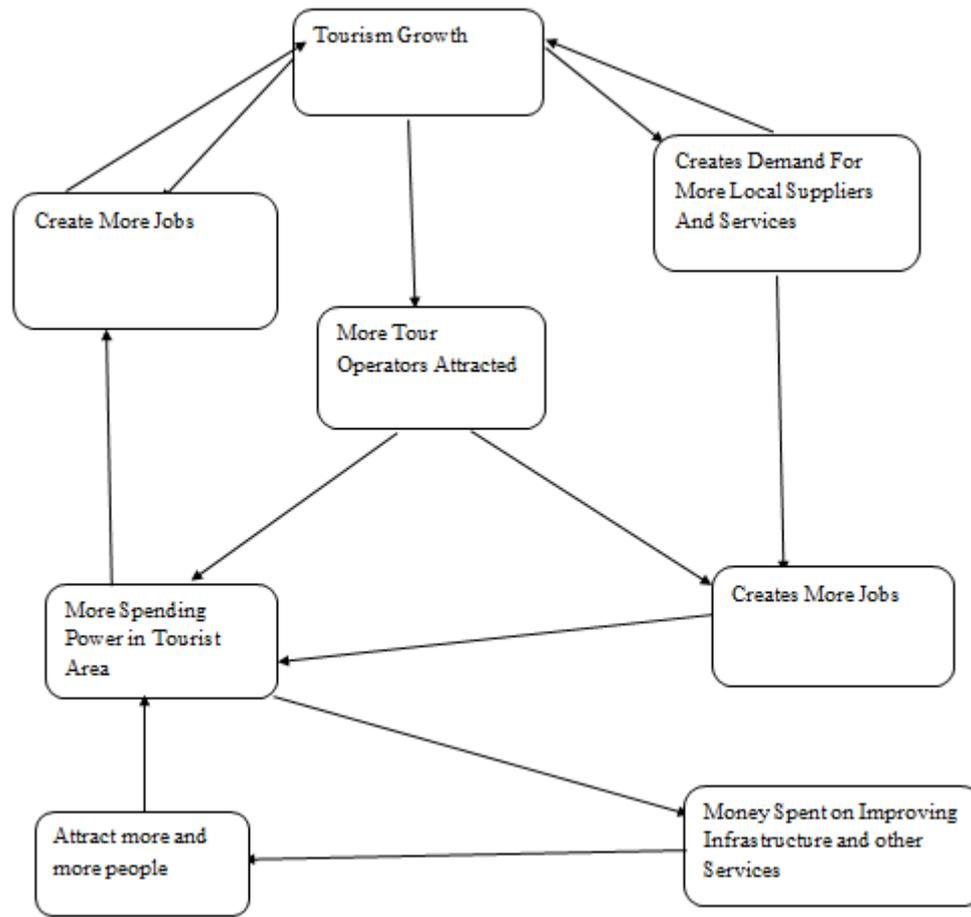


FIGURE 1
TOURISM GROWTH

Source: Authors Own Imagination.

The above model demonstrates how the tourism industry's growth generates demand for additional local products and services, resulting in job opportunities for job seekers such as tour and travel operators, hoteliers, and restaurant workers. Also, when the number of tourists increases, people visiting the location spend more money, which indirectly boosts the State's economy.

Furthermore, with the rise of the tourism business, more money is spent on the infrastructure development of that location, which immediately attracts more and more people, resulting in more jobs for the locals, assisting in poverty reduction and overall socio-economic development of that particular destination. As a result of this study, we discovered that growth in the tourism industry has a significant beneficial impact on the economy of that location, with some adverse effects as well, but overall it aids in the growth of that destination's economy.

The study aims to review the impact of the tourism industry in Jammu and Kashmir on the State's economic growth, particularly in terms of employment generation, infrastructure development, and regional development. The rest of the study is designed as follows. Section 2 presents the impact of the tourism industry on economic development. Section 3 describes the impact of the tourism industry on the Jammu & Kashmir Economy. The impact of tourism on employment generation is presented in section 4. Section 5 reported the impact of Tourism on Infrastructure Development. The impact of regional development is sketched in section 6. Finally, in Section 7, policy recommendations and conclusions are presented.

Impact of Tourism Industry on Economic Development

Aslan (2016) examines the long-term impact of varied tourism revenues on economic growth (GDP). On a Turkish dataset spanning the years 2003 to 2012, the study uses techniques such as "autoregressive distributed lag (ARDL) and causality test." The study confirms a long-term relationship between various tourism revenues (e.g., lodging and transportation, sporting activities and adventures, sightseeing, shopping expenses, and so on) and GDP. Balcilar et al. (2014) look into the relationship between tourism revenues (TPs) and GDP. The study examines data from South Africa from 1960 to 2011 and shows no causal association between TPs and GDP using the Granger causality test for the entire sample. However, the analysis indicates that TPs contribute positively to GDP for the whole period, except for the period between 1985 and 1990, using time-variant coefficient models and state-space representations.

According to the World Tourism Organization (UNWTO 2018), the overall number of tourists expected to arrive in the next years is expected to rise globally. The number of tourists climbed from 25 million in 1950 to 1326 million in 2017, with 323.1 million associated to the Asian area. According to the UNWTO, the annual growth rate of tourist arrivals was 4.2 percent in 2017, with the annual growth rate of tourists associated with the Asian region being 6.4 percent. The increasing growth rate of international tourists has a significant impact on emerging developing countries' national GDP (Mukhopadhyay et al., 2016). By 2017, the total money received from tourists had reached \$1340 billion, with \$389.6 billion coming from Asia. The arrival of visitors in a country is seen to enhance GDP growth, but it is also thought to degrade environmental quality due to the use of high energy streaming from fossil fuels (Tsui et al., 2018; Gössling and Peeters 2015). The increasing rate of tourism has a negative impact on environmental quality in the form of increased energy demand for transportation, tourist housing, construction, woodcutting, wood burning, and other tourist activities (Becken et al., 2001; Scott et al., 2010; Tsui et al., 2018). World Data Bank is the source of this information (2018).

Impact of Tourism Industry on Jammu & Kashmir Economy

Tourism is defined as the action of traveling to a destination for recreational purposes. By creating employment opportunities and promoting long-term growth, tourism provides a significant contribution to local economies. According to the Mughal emperor Jhangir, if there is a heaven on earth, it is located here. Jammu and Kashmir is well-known for its scenic beauty, natural waterfalls, apple valleys, deep gorges, poplar trees, deodar trees, chinars (a type of tree), amazing scenery, pollution-free air, snow-capped mountains, intriguing gardens, and captivating lakes, among other things. Tourism is one of the most important areas of the economy of Jammu and Kashmir. As the largest service business, tourism contributes significantly to the State's gross domestic product (GDP), foreign exchange earnings for the country, provides widespread employment, generates tax income, and so on. Jammu and Kashmir also offers tremendous potential for pilgrimage tourism, which is now underutilised. As a result, it attracts a significant number of pilgrims from all across India, including the northern states. As a result, pilgrimage tourism contributes to the overall growth of the State's economy.

Jammu and Kashmir are divided into two distinct regions known as Jammu and Kashmir. Tourists from both domestic and international markets have a huge demand for tourism in both of the two regions.

As a result, travelers worldwide have been drawn to Kashmir Valley by its rocky landscape for ages. Dal Lake, Gulmarg, and Phalgam are just a few of the popular tourist

attractions in Kashmir Valley. Skiers may enjoy the unusual Himalayan snow during the winter months, which are distinguished by four distinct seasons. Gulmarg is unquestionably one of the most beautiful destinations to visit in Jammu and Kashmir. Meadow of Flowers, also known as Gulmarg, is a mountain range in Kashmir, roughly 52 kilometers from the capital city of Srinagar. It is a paradise for adventure seekers. Trekking, snowboarding, golfing, mountain biking, and fishing are just a few of the activities that Gulmarg has to offer its visitors, in addition to the numerous skiing opportunities.

Hindu shrines, gardens, and fortifications are among the reasons why Jammu is so popular. Every year, millions of Hindu devotees flock to the Hindu holy site of Amarnath in Kashmir, while the Shri Mata Vaishno Devi in the Jammu region draws tens of thousands of Hindu pilgrims each year (Mukhopadhyay et al., 2011). Invigorating visitors to Jammu are the unequalled divinity found at Raghunath temple and the shrines of Peer Baba and Peer Khoh, which can be found in every corner of the city. It is essential to pay a visit to the Bahu temple, which is located within the magnificent Bahu Fort. The temple is devoted to Goddess Kali, also known as Bawe Wali Mata in the region, the patron deity of Jammu and Kashmir. The Bahu Fort and Mubarak Mandi Palace and the temple are architectural marvels that architecture enthusiasts should not miss. Jammu's historical monuments are distinguished by a distinctive blend of Islamic and Hindu architectural forms that are unique to the region. A visit to the Rajouri district, which is 158 kilometers distant from Jammu, will reveal a plethora of lovely attractions. There are several attractions to explore in the surrounding area of Rajouri, including the majestic Rajouri Fort, Dhanidar Fort, and Rama Temple, to name a few. Gulmarg is unquestionably one of the most beautiful destinations to visit in Jammu and Kashmir. Gulmarg, also known as the Meadow of Flowers, is a mountain range in Kashmir, roughly 52 kilometres from the capital city of Srinagar. It is a refuge for adventure seekers. Trekking, snowboarding, golfing, mountain biking, and fishing are just a few of the many activities that Gulmarg has to offer, in addition to its world-renowned skiing possibilities (Moghal et al. 2021). Jammu and Kashmir have immense potential to become significant international tourist destination. The importance of tourism to the economy of Jammu and Kashmir has been well established for decades. Tourism in Jammu and Kashmir is a multi-sectoral industry that provides a variety of professions such as hotel managers, guides, tour operators, cooks, and other related positions. This helps develop the Jammu & Kashmir economy by raising the people's income and level of life. Numerous factors contribute to the enormous potential for tourist development in Jammu and Kashmir, a well-known destination for its warm hospitality, rich cultural legacy, and scenic beauty. There are various additional categories of tourism in Jammu & Kashmir that have yet to be explored, including adventure tourism, medical tourism, ecotourism, polo tourism, and leisure tourism, all of which have the potential to flourish. In addition, handicrafts from Jammu & Kashmir, such as the pashmina shawl and paper mache, are well-known around the world. As a result, more and more locations should be investigated as potential tourism destinations, which will assist the government in generating cash, which would ultimately aid in the development of Jammu and Kashmir. Furthermore, tourism will aid in the creation of better infrastructure, which will, in turn, contribute to an increase in tourism-related activities.

Authors	Year	Country	Impact on Economy
Ren T, et.al	2019	Mediterranean	+ve and -ve
Hilal Ahmad Mir	2014	Jammu & Kashmir, India	+ve
Lin C and Pan G W	2005	China	+ve
Ohlan R	2017	India	+ve

Andriotis K and Vanghan	2004	Greece	+ve
Narayan P K et.al	2010	Pacific Island Countries	+ve
Demiro D M and Ongan S	2005	Turkey	+ve
Gunduz L and Hatemi JA	2005	Turkey	+ve
Aarif Hussai Nengroo et. al	2016	Jammu & Kashmir, India	+ve
Srinivasan and Kalaivani	2016	Jammu & Kashmir, India	+ve
Charu et.al	2017	Jammu & Kashmir, India	+ve and -ve
Rajni Sharma et. al	2012	Jammu & Kashmir, India	+ve and -ve

Above Table 1 shows the impact of the tourism industry on the economy. It is concluded from the above results that there is a mix of the positive and negative impacts of tourism on economic development. Therefore, this study suggested an overall positive impact of the tourism industry on the economy.

Impact of Tourism on Employment Generation

In general, tourism-generated employment can be divided into three major categories: direct employment, which involves selling goods and services directly to customers, such as hotels, restaurants, and shops; indirect employment, which involves supplying goods and services to customers indirectly; and indirect employment, which involves supplying goods and services indirectly (Bal et al., 2014). Employers who provide products and services to the tourist industry are considered indirect employees. Investment-related employment is found in construction and other capital goods sectors and manufacturing and other service industries. According to the World Travel and Tourism Council (WTTC), a ten lakh rupee investment in the travel and tourism industry will generate approximately 90 jobs, which is significantly higher than the number of jobs generated by competing sectors such as agriculture and manufacturing, which generate 45 and 13 jobs per ten lakh rupee investment, respectively.

Author	Year	Country	Impact on Employment Generation
Neequaye K and Armoo A K	2014	Africa	+ve
Naseem ul Gani and Mir S M	2013	Jammu & Kashmir, India	+ve
Chen et.al	2009	Jammu & Kashmir, India	+ve
Sanmeet Kour	2005	Jammu & Kashmir, India	+ve

The above Table 2 indicates the impact of tourism on employment generation. Again, this study showed an overall positive impact of tourism on the employment generation of a destination.

Impact of Tourism on Infrastructure Development

Tourism and infrastructure development are two intertwined areas because improving infrastructure would pave the way for more tourism-related activities to take place in the future. On the other side, a lack of infrastructure is one of the most significant factors contributing to the underdevelopment of tourism. Good infrastructure facilities, improved hygienic conditions, increased intake capacity during peak seasons, and appropriate human resource development are all components of infrastructure development. According to the most current economic survey conducted in 2013-14, there are 1508 registered hotels and restaurants in the State, in addition to 84 tourist bungalows and huts, which generate around 8% of the State's gross domestic product.

Author	Year	Country	Impact on Infrastructure
Marichela Sepe, Giovanni Di Taruopain	2010	Spain	+ve
K. Lindroth et. al	2007	Spain	+ve
Farid H et. al	2016	Jammu & Kashmir, India	+ve
Eugenia Panfiluk	2015	Poland	+ve
Doris Chenguang Wu et. al	2017	Jammu & Kashmir, India	+ve
M F Lala and A M Bhat	2008	Jammu & Kashmir, India	+ve

Above Table 3 shows the impact of the tourism industry on infrastructure. Again this study found that the overall impact of tourism on the infrastructure development of a destination is positive.

Impact of Tourism on Regional Development

Tourism may serve as a catalyst for the development of economically depressed and geographically isolated communities in a given area. The development of tourism would result in the advancement of rural and backward areas. The majority of a country's picturesque and lovely attractions are found in underdeveloped regions that provide important contributions to the economic growth of their respective regions via the development of local industries and businesses. Tourists visiting such under-explored yet appealing destinations might help improve the locals' economic situation by encouraging local art forms such as handicrafts, handlooms, cricket bat manufacturing, and so on.

Author	Year	Country	Impact on Regional Development
Roche et.al	2013	India	+ve
Kashif Hussain et. al	2015	India	+ve
Gunasekaran A et. al	2009	Australia	+ve
Peter U C Dieke	2013	Africa	+ve
Singh and Magaray	2017	India	+ve
Gupta S K and Raina R	2008	India	+ve
Manete M	2000	Italy	+ve
Draghici C et. al	2016	Romania	+ve

Above Table 4 indicates the impact of tourism development on regional development. We come to know that there is an overall positive impact on regional development and economic growth.

Findings and Discussion

It was found from the current review that the tourism Industry has some positive and some negative impacts on the economic development of a particular destination, some of which are discussed further in this article. Positive Economic Impact: Tourism is said to have quite an extensive positive impact on the economy, be it directly or indirectly. This could be seen in the direct foreign exchange where a tourist's expenditure directly generates income and boosts the economy. It is evident that this also helps contribute to the government revenue systems. It is not just this but also other impacts on the economy like employment creation, whether direct employment. Negative Economic Impact: There are two sides of the

same coin, if the tourism industry can have a positive impact, it can also have some negative impacts on the economy of a destination. The first and foremost is the economic leakage, which means that whatever is being spent in the destination that was supposed to add to the economy does not remain in that destination but end up somewhere else. This could be due to the hands of MNCs, international corporations etc. Moreover, if the cost of infrastructure exceeds the influx of money spent by tourists in the destination also leads to a downward spiral on the economic and developmental front.

Policy Recommendations and Conclusions

Tourism is the main industry in Jammu & Kashmir and has a huge potential for employment generation and state revenue. The government has the main role in setting up this industry at par with the rest of India. The government should set up new policies that help the locals grow their business, increasing employment generation, benefiting the businessmen and the employment seekers involved, increasing the State's overall economic condition. Funds should be issued for developing the unexplored destinations of Jammu & Kashmir. Further, good infrastructure should be provided, which is in competition with the amenities provided globally. This will attract more and more tourists to Jammu & Kashmir, so more demand would be created, which will further help in increasing the income of people involved benefiting both the service providers and the job seekers, increasing the economic conditions of both the sectors which will automatically help in the socio-economic development of the State.

In this study, the importance of economic impacts of tourism was discussed. A wide range of positive and negative impacts are discussed and relevant studies are provided. Tourism is an evident example of an economic policy pursued by the government because it helps generate foreign exchange, generate employment, generate income, and help reduce poverty. All these factors are directly and indirectly related to the growth of the tourism industry. A lot of emphases is to be given on the hospitality management, cultural heritage, and the development of infrastructure which will provide employment, generate income and reduce overall poverty of the State, hence it will give us a unique tourism industry in the State keeping us at par with the tourism across India as well as the globe.

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