Chapter-I

INTRODUCTION

THE MYSTERIES of nature have always inspired an awe among the human beings. The idea of conquering the nature and unravelling the mysteries of it has always been an inspiration to the human mind.1

Tourism in its real sense is an exploration into the mysteries of the nature, society and into the roots of human civilization. That is one of the main reasons why tourism has become a major industry in almost all parts of the world. People travel for various reasons and the main purpose of travel determines the form of tourism. Accordingly tourism as a phenomenon is prescribed under various forms and classified on the basis of factors such as geographical location, the purpose served by travel, the means of transport used and the number of persons travelling etc.2

Tourism as a multifaceted activity, has been defined in various ways including the relationships and phenomena arising out of journeys and temporary stays of people primarily for leisure or recreational purposes.3 But, normally this is supplemented by business, education, religious, cultural and/or social motives. As such, there are business tourism, educational tourism, religious tourism (pilgrimage), cultural tourism, social tourism etc. within the framework of tourism in general. However, it may be pointed out that the motives vary from person to person in degree and importance. Five broad sectors of the tourist industry have been generally identified: attractions, transport, accommodation, supporting
facilities and the infrastructure. The attractions induce the tourist to visit the area, transport services enabled him to move out, accommodations and supporting facilities (e.g. shops and restaurants) cater for his well-being away from home and the infrastructure ensures the successful functioning of all of these.4

According to G. Janta, tourism could be divided into two sectors. The 'dynamic sector' and the 'static sector'. The dynamic sector comprises all the economic activities of the formation of the community, the motivation of demand and provision for transport. It includes the activities of tour operators, travel agents, transport undertakers and ancillary services. The 'static sector' looks after "sojourn" part of tourism. The demand for accommodation, food and refreshment are included in it. Since, Tourism creates a demand or provides a market for a number of quite separate and varied industries, all these economic activities which are involved in tourism may be referred to as tourist industry. To a nation, the sum total of tourist activities within their border is referred to as "Nations Tourism".5

Thus, the term tourism cannotes different meanings depending on the context in which it is used. These meanings are not divergent as such but are overlapping. There is hardly any single definition to cover all the aspects of the term. What is significant is that travel alone is not the criterion. The purpose of travel is the most important deciding factor of tourism.
Tourism in the Modern Age:

What will the tourist trade of the year 2001 be like? Who will be the tourists of the coming millennium? These are the questions which have emerged with the extraordinary boom in tourism, and experts, tour operators and politicians have repeatedly been encountering them over the last 15 years. These questions arise either because of the financial profits the tourist industry generates, or from the demands of consumer who show new awareness's, habits and life-styles. In the Eighties, mass tourism gradually changed and people began to talk of tourism and expressions such as culture tourism, sport tourism, religious tourism, adventure tourism or eco-tourism came in vogue. In the past, the dominant practice was to take one long holiday in a single destination. Today, however people tend to distribute their holidays over different destinations at different times of the year.

Three types of tourist

From a Socio-historical point of view, three types of tourists can be differentiated. In the case of the industrial tourist, for whom work is the centre of existence, the motivations for travelling can be summed up as rest and freedom from responsibilities. This type is gradually decreasing in number. The hedonistic tourist belongs to the generation that discovered entertainment and consumerism. They like to go on holiday as an experiment, to explore the unknown, to enjoy for themselves, to meet other people and to relax in unspoilt natural surroundings. They are in majority today and will continue to be so. Finally, the modern age tourist, someone who tends to reduce the polarity between
work and play: not just work, but just not fun, either their reason for travelling include broadening their personal horizons and getting back to simple things and nature with a touch of creativity in the planning of their journey. These are gradually growing in number and in future will form an important segment of demand.

The present Millennium is coming to an end and is leaving western countries with a high level of welfare and a large tourist demand to satisfy. Nevertheless, serious environmental problems also plague areas that receive a high influx of tourists. Tour operators, local authorities and the general public are, therefore called on to find new forms of co-existence and the right solutions for themselves and for the survival of the planet.⁶

Tourism—Current Scenario and Future Prospects

"The potentials are very great, the challenges daunting. The responses have to be adequate and therefore, the list of action agenda will tend to get longer and longer".

At the threshold of the new millennium, tourism has emerged as the biggest industry of the future. The growth of international tourism was slow in the first part of the century, rapid in the later part and phenomenal since 1980s. In 1950, the total arrival was only 25 million generating receipts of $2.1 billion. The absolute number of arrivals multiplied two and a half times between 1960 and 1970 and thereafter it has almost doubled every decade. The receipts have grown even faster, $18 billion in 1980. Today it is well known that as a contributor to the global economy tourism has no equal.
Equally well known are the figures, but some of the figures quoted by the World Tourist and Travel Council (WTTC) and John Naisbitt in his delightful book "Global Pradox" can still be quoted just by way of illustration only.

Tourism

- Employs 10.6 percent of the global workforce;
- Contributes 10.2 percent to the world's GDP;
- Generates tax revenues of $655 billion;
- Is the largest industry with $3.4 trillion gross output;
- Accounts for 10.9 percent of all consumer spending;
- 10.7 percent of capital investment in the world; and;
- 6.9 percent of all government spending;

With all this growth, the total arrivals of tourists represents only about 7% of the potential and capable travellers of the world's population. Therefore, the future growth potentials are phenomenal. John Naisbitt has considered telecommunication revolution to be the largest single influence in the future and travel and tourism to be the biggest industry of the 21st century. Bill Gates has mentioned tourism as one of the three sectors to merit priority attention in the future. The future projections given by the World Tourism Organization and the World Tourism and Travel Council are extremely impressive:

- By 2020 there will be 1.6 billion international tourist arrivals world wide.
And they will be spending about $200 billion.

The sustained annual average growth rate in tourism will be 4.3 percent in arrival and 6.7 percents in receipts- which is far above the probable expansion of the world's wealth, which will be growing only at about 3 percent per annum.

Between 1995 and 2005, 144 million new jobs would have been created in this sector-112 million of them being in the Asia pacific region alone.7

India-Background

Travel and tourism in India is an integral part of Indian tradition and culture. It has existed as an industry in the informal sector since ancient times and was indulged in by all classes of people. The Maharajas or the rulling were less free to tour than others because their motives could be politically suspicious. They generally travelled for purposes of attending coronation durbars of neighbouring States, attending important marriages of those belonging to the exclusive club of the rulling class or for tirth yatra which involved visiting the holy places for performing religious duties and propitiating the Gods for condonation of sins and asking for future benefits. The business class traveled with long caravans of animals and ponies carrying their merchandise from place to place for sale. Trans sub-continental travels were the norm for this class of people and ancient routes for traveling were known. A record of their travels, sales, incomes and modus-operandi are available in records known as Bahis which were accounts kept by these merchants and are available in large numbers for Rajasthan, Uttar Pradesh and Bengal. The next important class
of tourists was Scholars and Spiritual seekers who traveled from place to place, in search of higher knowledge and to take part in discussions and discourses on religious subjects and for visiting Tirthsthanas. The common people rarely ventured outside their villages except when they had any work in the capital cities or for performing religious rituals.

Although, tourism industry existed in the informal sector and all facilities for the tourists were available throughout the country, in the form of Daharamshalas, Sarais and Havelis of the rich available in most famous Tirthsthanas, the industry in general was in the unorganized sector. An organised industry of tourism is a twentieth century phenomenon and came in to existence mostly for catering to foreign tourists who wanted to live in style during their visits to India.8

Tourism and Five Year Plans

Strangely, even at the inception of the planning process. The first five year plan did not make any mention of tourism as an industry, although facilities required for its promotion by way of infrastructural assistance is discussed in great detail. It is only from the second plan onwards that we find a small para in the plan stating that two types of schemes would be made for tourism, namely, schemes for development of facilities at places visited by foreign tourists and schemes intended primarily to provide facilities for home tourists of low and middle-income groups at a number of places of regional and local importance. It was also stated that the first category of schemes would be undertaken by the Centre and those in the second category would be implemented by the States with a certain measure of assistance from the Centre.9
The third plan mentions that "tourism has assumed increasing importance during recent years." The third plan programmes concentrate largely on the provision of facilities for accommodation and transport. The plan document also makes an important distinction between Central and State schemes. While schemes in the central sector provide for facilities which are important from the point of view of foreign tourism, those in the State plans are intended mainly for home tourism.10

The fourth plan for the first time highlights tourism as an important means for earning foreign exchange as the prime objective of tourism development while employment generation is also considered as an additional benefit. It states "tourism is an important means of earning foreign exchange. It also provide employment and promotes international contacts and understanding".

Tourism seems to have suffered a setback in emphasis, both in respect of resource allocations as well as in terms of broad objectives in the fifth plan. The write-up on tourism in this plan is confined to a few programmes and financial allocations.

New Thinking

However, this set back is more than compensated by the sixth plan which perhaps marks the beginning of a new thinking on tourism in India. The emphasis also shifts from schemes to strategies and from foreign exchange earning to wider issues of economic development. The plan document refers to.
a) Social and economic benefits like promotion of national integration and international understanding;

b) Creation of employment;

c) Removal of regional imbalances;

d) Opening up of new growth Centres in the interiors of the country;

e) Augmentation of foreign exchange earnings;

f) Support of local handicrafts and cultural activities;

g) Source of tax revenues for government both Central and State.\textsuperscript{11}

**Industry Status**

It is for first time in the seventh plan (1985-90) that tourism gets considerable attention in the plan document with a stated intention of faster development of tourism, according it the status of 'industry' and exploring its potential for the sale of handicrafts and national integration. The possibility of developing selected tourist circuits, diversification to non-traditional areas and image building exercise, opening of new channels of tourism by way of adventure and wildlife tourism and emphasis on external publicity has been discussed at great length.

The eight plan reviews the performance of the tourism sector and states for the first time that major initiative for future tourism development should come through private initiative. The State should contribute to tourism by planing
broad strategies on development, provision of physical and monetary incentives to catalyse private sector investments and suggest ways and means for protecting the industry, the consumer and the environment. It also enunciates for the first time the concept of special tourism areas with high tourism potential.

During the operation of the eight plan, tourism strategies have given a tremendous thrust to four important aspects of tourism. The first thrust has been on considering tourism as an industry with a very high potential for employment generation. The is one of the main industries in the service sector, which provides employment to the Skilled and Unskilled Workers, Artists, Craftsmen, Dancers, Musicians and even Growers of vegetables, Fruits and Flowers. Studies have indicated that employment elasticity is very high. A realization of this aspect of tourism has led to greater emphasis on tourism to be considered as an industry requiring higher consideration as a priority sector for investment.

**Attracting Private Investment**

The second thrust has been to attract private investment in this sector. Major initiatives have been taken in this direction through discussions with the hotel and travelling agencies as well as industry in general both at the national and international level.

**Perspective Tourism Plans**

At the initiative of the planning commission. The States have been requested to prepare perspective tourism plans for
the next 15 to 20 years. This is to stop ad-hoc development of facilities and to have a long-term view of infrastructural development with a view to achieving quantum jump in the creation of infrastructure. A large number of States have already undertaken this exercise and States like Himachal Pradesh, Maharashtra, Punjab, Andhra Pradesh, finalised their plans according to the guidelines of the planning commission.

Inter-Sectoral Coordination

Last, but not least, Inter-Sectoral Coordination has been stepped up. There is greater interaction between the Ministries of Tourism, Civil Aviation, Railways, Urban Development and Culture, so that focussed and integrated development takes place in areas with high tourism potential. There is increasing emphasis on the linking of culture events with the tourist season, the building of shilp grams by the cultural zones near tourist centres, the location of handlooms and handicrafts exhibitions as well as emporiums near major tourist sites.

Rapid Growth

As a result of the intense efforts made both in the Centre and the State sector, we have expanded tourism industry by way of increasing allocations for tourism through planning from Rs. 1.58 crore in the second plan to Rs 364.61 crore in the eight plan. The tourist arrivals have increased from 17,000 in 1951 to 2.12 million in 1996. Hotels have increased from 166 in 1963 to 976 at the end of March 1996 and accommodation in terms of rooms has increased to 57,435 as on 31-3-1996. Clearances have been given for the creation of 683 new hotels, as a result of which 35,452 more rooms will
come into existence. The tourism industry has already become the third biggest export industry after readymade garments and gems and jewellery and it is estimated that during the year 1995-96 foreign exchange earning of this sector are likely to be Rs 9,186 crore.

Since the first plan has increased from 1,284 million passengers to 3,915 million passengers in the year 1994-95. The total outlay of this sector has increased from a mere Rs 432 crore in the first plan to an outlay of Rs 27,202 crore for the eight plan. The financial allocation on civil aviation has increased tremendously from a meagre outlay of Rs 29 crore for the first plan to an outlay of Rs 3,998 crore for the eight plan. At the outset of the eight plan, 57 Stations were operated by Indian airlines within the country and 10 outside. Air India has also expanded and cover many routes. The road mileage has increased from 3.99 lakh kms. In 1951 to 20.40 lakh kms. In 1992, it must also be admitted that a tremendous effort in building infrastructure for primary health, public health and urban development sectors, which impinge on tourism directly, has occurred through the planning process. There has also been a phenomenal expansion of activities in the field of culture.

The country is now launching its Ninth five year plan. In the beginning of this decade, India also embarked on a major policy of economic reforms and liberalisation and moved away from the rigours of quantitative controls of planned economic regime. In the changed scenerio, the government is having a new look at the tourism policy. The published draft of the new policy has-
(a) Placed tourism as a central input in the economic development process because of its role in resource generation and employment creation.

(b) Focussed on the role of tourism in Socio-economic development of the backward areas, weaker sections, women and artisans.

(c) Allowed these goals to be pursued in tune with the goal of the enrichment of the environment and the ecosystem; and

(d) Recognised the role of tourism as a potential global force for national and international understanding and for creating awareness for sustainable development.

The Overall impact of tourism on India's economy has also been significant. In 1995, apart from 9.1 million direct employment and estimated 12.3 million indirect employment, Tourism Receipt were 0.9 percent of Gross National Product (GNP), 9.0 percent of merchandise export and 56 percent of commercial services exports. There are several ancillary industries also which are affected by the construction of Hotels, Textiles, Furnishings, Furniture, Machinery, Food Stuffs, Breweries, Crockery. Handicrafts etc. are some of the industries directly benefited. It is estimated that out of the total foreign exchange earning from tourism, 25.2% is earned by International Transport. 4.9% from Jewellery, 8.9% from Silk Handloom, 4% from Curios, 7% from Handicrafts etc. (Figures of 1984).
Today, tourism is the second largest net foreign exchange earner in the country. Some other benefits of tourism apart employment generation can easily be counted-

(a) Tourism is a multi-dimensional activity and it covers a large number of economic activities. The spread effect of tourism therefore, is much wider than any other economic activity.

(b) The return on investment in tourism from the point of view of employment generation is much higher compared to Agriculture and Manufacturing Sector. A sample survey has shown the following comparative statement of employment generation in important sectors in Table no. 1.1 below. For every million rupees invested at 1985-86 prices, employment created in important sectors were estimated to be:

### Table 1.1. Comparative Statement of Employment Generation in Important Sectors.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>44.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12.6</td>
</tr>
<tr>
<td>Minning &amp; quarrying</td>
<td>2.6</td>
</tr>
<tr>
<td>Railways</td>
<td>0.9</td>
</tr>
<tr>
<td>Other transport</td>
<td>13.8</td>
</tr>
<tr>
<td>Tourism</td>
<td>47.5</td>
</tr>
<tr>
<td>(Hotel &amp; Restaurants)</td>
<td>89.0</td>
</tr>
</tbody>
</table>

Source: Central Statistical Organization (C.S.O.) Enterprise Survey 1983-84 Ministry of Tourism, Govt. of India.
(c) Tourism helps development of backward regions because they are not area specific but can be promoted wherever tourism attractions exist.

(d) Tourism also helps promotion of handicrafts and handlooms as well as revival of traditional culture and preservation of heritage if properly managed and controlled.

The list of benefits from tourism development is long and is not attempted to be recounted.

Prospects and Challenges

"As tourism enters a new millennium and the prospect of continued expansion and greater importance in the world economy, it faces numerous challenges. Policy makers will increasingly have to address fundamental issues related to the industries growth, direction and effects"-WTO.

Mr. Geoffrey Lipman, the president of the World Tourism and Travel Council in his Oberio Foundation lecture estimated that by 2010 tourism can provide Indian economy substantial resources even by very marginal progress-

➢ Will contribute another Rs 500,000 crore to the GDP.

➢ 8 million new jobs.

➢ Rs 1,30,000 crore in capital investment.

➢ Rs 1,60,000 crore in export earnings.

For this to happen the country has to take pragmatic steps, most of which are well known. He lists five of them:
First, Tourism as a national priority action; second, liberalised economy-open and competitive markets; third pursuing a policy of sustainable development; fourth, removal of fundamental barriers to growth- incentives for infrastructure growth, rationalize taxes, remove disincentives and fifth professionalize human resource development.

The national action plan in 1995 had projected the desirability of achieving 1 percent share of total international arrivals. At present, India's share is only 0.04 percent in total international arrivals and 0.07% of the total receipts. To achieve that figure of 1 percent, we will have to reach that target of about 6 million tourist arrivals. With our present growth pattern, this does not seem possible. In 1996, tourist arrivals increased by 8 percent. If this growth rate can be maintained the realistic estimate of international arrivals would be about 3.37 million by 2001. But, again a growth rate of 8 percent depends on a large number of imponderables. Already in 1997, the rate of growth declined to 5 percent. The ninth plan Working Group Report of the Planning Commission was on the other hand more optimistic in estimating 5.95 million arrivals by 2001. Similarly, foreign exchange earning was projected as US $ 8.1 billion by 2001. Both these projection were based on the strategy and targets outlined in the national action plan 1992. Recently, we had achieved a growth rate of about 8 percent and therefore, a growth of about 10 percent is required within the possibilities.

**India : Action Plan**

A pragmatic future plan of action should normally be based on two key parameters. viz-

16
Assessment of the ground realities.

Based on such an assessment, making effective plans which, in management terms will imply:

- Setting down the objectives;
- Taking stock of the organizational capabilities to achieve those objective; and
- Assessing the physical, financial and human resources available to implement the objectives.\(^\text{13}\)

**Ground Reality**

An important question which needs to be asked is why India still has a share of only around 0.04 percent of world tourism. It is important to realise that no amount of cosmetic publicity abroad or the provision of Five-star culture can give a quantum jump to tourism, unless the ground realities match with the kind of environment available to tourist in the rest of the world's big tourist industry centres like France, Italy, Spain, United kingdom and America or at least the equivalent of what is available in Thailand, Indonesia and China. The greatest thrust to tourism will come through human resource development in our country. We have to have skilled persons to man this industry right from the level of waiters to top management people. We also need to have an educated public which will know how to handle tourists as guests an not as victims ready to be exploited. Here, we have to create awareness among the people at large about the need for treating all guests as "atithideva" according to our ancient tradition. The second important thrust will come through
public health and hygiene, high degree of public health and hygiene and sanitation is essential in area of great for cultural tourism, as well as pilgrimage tourism. Although we have a doctors of very high quality, enough publicity of health care facilities including pharmacists is not available to foreign and Indian tourist in the guide books. The third incentive could come through provision of reasonably priced accommodation through out the country, both for domestic and foreign tourists. They would have to come not only through hotels, with stars attached to them, but also through the Informal Sectors, Namely Guest Houses and Paying Guest accommodation in a big way. Indian's internal market for tourism needs to be given most careful attention as we can be the envy of the world as far as our own people, who are going in large number outside for holidays, can be attracted to travel within their own country. We have to encourage the private sector to provide low-cost reasonable accommodation to millions of our young people. There must be adequate information available on Website, Information on where to go, how to go, where to stay and ensuring prompt and accurate response to tourist's inquiries through trained and professional staff in government of India's tourist Offices. Visa procedure to be simplified and computerized. Naturally, the potentials are very great, the challenges daunting. The responses have to be adequate and therefore, the list of action agenda will tend to get longer and longer. The count down to the new century has already begun-It is only a question of days. Albert Camus advice in different context is relevant for all of us in tourism in India "I shall tell you a great secret, my friend. Don't wait for the last judgement; it takes place every days".
Tourism in Jammu and Kashmir: An Overview

Tourism is one of the oldest and biggest industry in the State of Jammu and Kashmir. It is the only industry which depends more on natural than on artificial means. The Location, Surroundings, Environment, Climate and Scenic beauty of a spot are the basic investment of this industry and therefore, the State of Jammu and Kashmir is the richest spot in the world. But when these natural assets are assisted by artificial means like Facilities of transport, Communication, Accommodation, Catering, Maintenance, Art and Crafts, etc. Then the industry flourishes by leaps and bounds like that of our's i.e. Tourism of Jammu and Kashmir State.14

Jammu and Kashmir the 'Crown' State of Indian Union, is one of the best tourist spot in our country. Set amidst almost the most beautiful scenery imaginable the lovely land of Kashmir is indeed tourist's paradise. The vast gardens of forests and flowers, upland pastures, glistening mountain torrents and placid lakes have made the State a dream-land. The importance of the State as one of the best tourist places is too well-known to be over-emphasized. The State satisfies the needs of almost every type of tourist and not even a single aspect of tourist's desire remains unattended, be it sight, seeing, pilgrimage, trekking, boating, sport, wildlife, or even meditation. This is why the State has become one of the most important tourist centre of India. Spread over an area of 2,22,236 Sq. Kms. J & K has a population 7.8 million. The State lies between 73° and 80°E and 33° and 37°N. It is bordered by Pakistan, Afghanistan and China on the Western, Northern and Eastern frontiers whereas, on its Southern side
are the State of Punjab and Himachal Pradesh of the Indian Union.\textsuperscript{15}

The State has a great historical importance from the time of Mughals, who became so much fascinated by its scenic beauty and unsurpassed charm that they used to call it as "Terrestrial Paradise". According to the old historical accounts, the City of Jammu was founded by Raja Jamboo lochan in the 19\textsuperscript{th} century and Srinagar the main city of Kashmir valley was established by the Great King Ashoka, during 300 BC and it continued to be ruled by a series of Hindu Kings, till it was conquered by the Mughals, who established beautiful Mosques and Gardens in its vicinity. In the year 1832, Raja Gulab Sing merged Jammu and Kashmir into a single State under the Dogra rules, which in the year 1947 became an integral part of the Indian Union.

The State comprises three distinct geo-cultural regions. These three regions are distinctly dis-similar from each other so far as Culture, Language, Religion, Dress, Climate and other Socio-economic aspects of life are concerned. But a unique thing about them is that each of these three divisions have attractions for tourists. The three regions of the state are:

**Jammu Region**

Jammu lies towards the southern and southeastern side of the State and forms a transitional area between the Indian plains and the Himalayan ranges. Hill pilgrimages, Scenic splendor, Charming, Culture, Hospitality, Art and unexplored places are the tourism resources of this region. A shrine of immense religious significance, the Cave of Triquata
Bhaqwati" commonly known as Viashno-Devi, which attracts lakhs of devotees is the pride of this region. The region is endowed with a Galaxy of Temples and hence known as, "the City of Temples".

Kashmir Region

Kashmir, the fabled valley of Kashmir stretched towards the North western side of the State is bounded by Mountainous terrains of scenic splendour and packed thrill. It is the happy place where one can make life most enjoyable to different tastes and interests. It is that lotus-land, where the lotus blooms to greatest perfection, trees like chinar are most beautiful at all stages and springs and lakes appear in all their glory. It is such a attracting place before which the title "Eden of East" blushes and poets finds inspiration and artists undreamed beauties of colour and scenery. It is the valley where one can find the pleasure gardens around the Dallake and think of the glory of Akbar, the pomp of Jahagir and the charm of Noor Jahan, whose association with Kashmir is a lasting tribute which they paid to the lovely scenery which can be found no where other than in the fairly land of Kashmir-"The land of Nature's beauty," "Thoughts Wilderness", "The Terrestrial Paradise of the Indies", "Eden on Earth".

Kashmir has unrivaled tradition of Craftsmanship which flourishes to this day. To this land of beauty and grandeur, the beauty loving Mughals paid their tribute by laying out terraced gardens. The Holy Cave of Shri AmarNathJi situated in a long glacial gorge, high among the eastern mountains, containing self-formed ice lingam, is the additional blessing bestowed to
this region by the Lord. One of the most easily appreciated cultural forms is the distinctive Kashmiri cuisine, popularly served as part of a feast called "WAZWAN."\textsuperscript{16}

**Ladak Region**

Ladakh, sprawling over the Northern and northeastern mountainous part of the State, is a land like no other, bounded by two of the world's Mightiest mountain ranges, the Great Himalaya and the Kokakoram. It lies athwart two others the Ladakh range and the ZANSKAR range. It is an area geographically known as the "Tibetan plateau". Being an Idyllic and unspoiled world, it is the fascinating destination, for those who is with a spirit of adventure and enterprise, for those with the love of virgin nature and for adherents of Tibetology and Buddhism, Lama-yuru Monastery, Hemis Gompa, Sankar Gompa, Tesmo Gompa, are some master pieces of art and sculpture of the region. In geological terms, this is a young land formed only a few million years ago by the buckling and folding of the earths crust as the Indian subcontinent pushed with irresistible force against the immovable mass of Asia. Ladak lies at altitudes ranging from about 9,000 feet (2,750m.) at Kargil to 25,170 feet (7,672m.) at Saser Kangri in Kokakorum. The climatic conditions of the State range from pleasant in Jammu region to cool in Kashmir valley and freezing cold in Ladakh. The State is well known all-over the world for its fine Handicrafts, Pashmina Showls, Saffron, Delicious Fruits, Flowers and Exquisite cuisine.\textsuperscript{17}

Tourism has been Synonymous with J & K for over a hundred years. Its economic growth was strongly linked with the flow of tourist traffic and purchases made of its
handicrafts. With the increase in tourist traffic from 14,568 in 1947 to 7.22 lakhs in 1988, these linkages have grown stronger. It would not be an exaggeration to say that after Agriculture and horticulture it is the tourism sector that holds the greatest potential for economic growth and employment in the state.

Economic growth through industrial development is a distance prospect. Industry will continue to grow slowly in the coming years because the state unlike tourism has no inherent advantage for industry.

Though it is realized by all that tourism has a very important role to play in the economic development of the State, the efforts made so far have not been commensurate with this realization. Plan allocations have been kept at a minimum level. Tourism was the only sector that was not given a step up in the 7th five year plan. The seventh plan allocation of Rs. 22.50 crore was the same as in the 6th plan. It was only with the prime minister's package in 1988 that allocation for tourism received a step up of Rs 22.06 crores.18

The Directorate of Tourism carried out a survey of the importance of the tourism to the economy of Jammu and Kashmir in 1983. This survey showed that 30% of the State's domestic product was generated by activities connected directly or indirectly with tourism. Tourism influences the economy in many ways. Apart from creation of jobs in the hotel industry, the major portion of our Transport Section, Artisans in the Handicraft Industry, Shopkeepers, Traders, Restaurants, Skikarawalas and Gundowalas, all make a substantial part of their living from tourists. Construction of
hotels and guest houses provide opportunities for further employment and the generation of income in different segments of society. The effects of tourism on income generation are felt through the multiplier across the broad.19

Tourism Department expect that if confidence of tourists in Kashmir as a destination is maintained it should attempt to have a substantial growth rate of 15% per annum. This would mean that Jammu and Kashmir should get about 20,00,000 tourists by 2005 AD (Apart from Vaishno Devi). This is a large number. The existing infrastructure can not handle it. Even with last year's level of tourists, i.e. 217.29 lakhs. The resorts were over crowded and even the city was packed. Tourism Department plan to create the infrastructure for this amount of traffic, 50,000 additional beds will have to be created. Further, the construction of these additional rooms will give a tremendous fillip to the demand for labour both Skilled/Unskilled and stimulate furniture manufacturers, traders in fittings, furnishings and other equipment. A number of investors from outside the state has started collaboration with local entrepreneurs to set-up hotels and other connected infrastructure. Demand for all kinds of services is bound to increase very considerably including that for Drivers, Mechanics, Waiters, Managers, Tour operator, Guides. There will be a strong growth in the handicraft/ handloom sector also.20

JKTDC, LTD: A REGULATORY FRAMEWORK

Jammu and Kashmir Tourism Development Corporation is the modern and commercial organization which organizes, handles and carries on the business of tourism in the State. It
was established under the Jammu and Kashmir Government order No. 3475 G.D. of 1969 dated 21/10/1969, registered with registrar of the company, J & K state incorporated under the companies Act 1956 under No. 353 of 1970. The main aim of which is to carry on the business of tourism in the state. J & K Tourism Development Corporation plays a vital role in pushing up the economy of the state as it not only benefits the state directly or indirectly by providing employment, livelihood but also brings the customers for our local products and services. It increases the importance of Artists, Boatmen, Transporters, Hoteliers, and many other sections of the society as they are wholly dependant on it. In addition to employment opportunities, direct revenue is being derived by the government through concerned organizations as it is natural that a tourist during his visit to the State has to incur some expenses on transport, accommodation, handicrafts, hotels and restaurants, etc. and thus, these fields are the major fields in our State contributing much to our economy. Therefore, it is clear that, it is the tourism in the State which provides a lot for the upliftment of the State's economy and hence, scholar, is going to discuss them separately under two heads-Direct and Indirect.

Direct

Tourism as discussed is one of the main industries of the state of Jammu and Kashmir and hence the Corporation is a capital intensive and labour intensive Corporation. Being capital intensive, it spends a large amount on the schemes connected with the construction of Roads, Hotels, Rest houses, Dokbungalows, Beautification of health resorts, Modernization
of transport facilities and on many others which are necessary for tourists. These multi-dimensional projects being labour generating, provide employment opportunities to a large number of people during the construction and after completion provides permanent employment to a large number of employees. Over and above this, Sizeable number of employees have been appointed to took after the comforts and other facilities of tourist's. Besides, the Corporation also provides a direct employment to about 837 persons. Also in addition to employment opportunities direct revenue is being derived by the government through this Corporation. The Corporation received a direct revenue from tourists in the shape of Room services, Food beverage services and other programmes etc. During the year 1997-98, the Revenue receipts of the Corporation works out to Rs. 947.27 Lakhs against the Revenue expenditure of Rs. 938.52 lakhs. Thus, the Corporation has earned a sum of Rs. 8.75 lakh as profit on its activities during 1997-98. The corporation has earned foreign exchange in addition to Indian currency from the tourists through its own establishments and accordingly it received foreign exchange worth Rs. 60.00 lakh according to Indian currency value during the year 1987.

Besides earning profit directly by the Corporation from the tourists, the government also receives revenue directly through other Corporations. Though government does not act on any business motive and its only aim is to promote and develop the tourist industry but still receives taxes and other charges which either Corporation or its establishments charges from these tourists.
Basically, the main significance of JKTDC, LTD. for our economy is through its impact on those sectors and sections which are connected with it directly or indirectly and they are the major income and employment producing factors of the State's economy and the fate and existence of such section is mainly dependent on the tourist influx to the State. Therefore, it seems appropriate here discuss its importance for State's economy, by discussing the part played by the Corporation in such fields and that forms the indirect benefits given by the Corporation to the State.

Indirect

A tourist whether internal or external comes here to enjoy the nature and it is natural that he has to incur some expenditure on transport by which he can come, on accommodation where he can stay, on food with out which enjoyment of the nature is not possible and on the purchase of our historical handicraft goods with out purchasing of which, his visit remain incomplete. These fields i.e. Transport, Hotels, Restaurants and Handicraft industries are the major fields in our State contributing much to our economy, giving livelihood and generates employment to a sizeable portion of the population. But all this is possible due to our Corporation because it is only when tourists will come and spend on the services rendered to them by these sectors. Therefore, it is clear that these sectors are wholly dependant on the spending of tourists.
Impact on Handicrafts

A large number of people of the State are dependent on handicrafts, being the major source of income of the people. Hence, tourism promotes to a large extent the handicraft industry in the State. Since the State has been from the early times, a meeting place of travelers and traders from far and near and they thus effects the economy of the State by purchasing these handicrafts. It is well known fact that producing any thing has little value unless it has consumer to consume and same is the case with our handicrafts. But luckily tourism has made us able to market the production of these handicrafts on international level. Since 1950, the number of tourists has shown an increasing trend and hence the spending of these tourists has also shown a satisfactory upward tendency. These tourists are spending good amount on the purchase of these handicraft goods. It is because of the tourist inflow that our handicraft industry is in existence today. As revealed by the "Pattern of tourist expenditure", tourist spends about 35.9% out of his total stay of 9 and 7 days respectively on different items of handicraft. Besides spending on handicraft goods, handicraft industry provides a direct employment to about 2,09,198 persons in the State who are connected with the manufacture of these artistic goods. In addition to this, handicrafts provides employment to a large number of people who look after this industry. Had tourism not been there it would not have been possible for us to develop and promote handicraft industry and it would not have provided us employment with the result, the depression would by a large extent have been in our State. According to the government estimates, handicraft industry contributes an
income of about Rs. 43.37 crores to the State\(^2\) and it can be easily concluded that this is the indirect contribution of the tourism towards the States economy. Handicraft industry thus, occupies a paramount place in the industrial sector of the State which offers a good return on our investments in the shape of generation of income and employment and it is due to its much significance that the State government is trying its best for modernizing this field. But further steps are needed for increasing the number of consumer and again the need for further development of tourism arises in the State.

**Impact on Hotel Industry**

Tourism plays a significant role in the promotion and development of hotel industry, "No hotels - No tourism" is the slogan, Hotel industry depends on the expansion of tourism. It is quite clear that a tourist visiting the State needs accommodation and food facilities before enjoying the beauties of nature. He is concerned more with a neat and clean accommodation, sound environment, wholesome food and clean atmosphere and is prepared to pay for these services. If the tourist place does not adequately cater the needs of tourist by way of food and accommodation then it will result in demotion of tourism, which in turn tells upon the economy of the State. Hence the principal factor which influences the flow of both home and foreign tourists is the availability of neat, comfortable and cheap accommodation.

Realising the importance of hotels for the promotion of tourism in the State, the State government started to take an active part for its development and an such we are having about 159 'A' category Hotels, about 242 'B' category and
about 199 'C' category Hotels in the State. Besides, the hotels running by the Corporation, we have also other Hotels runned by private individuals and also those which are under Central government control. It is now clear that it is only due to the existence of hotels and the services provided there that we are able to attract a large number of tourists who spend a lot of money on the services provided by these hotels and with out these services, the tourists can not enjoy any thing. As revealed by the "pattern of tourist expenditure", tourist spends about 37.3% out of his total expenditure during his total stay of 9 and 7 days respectively. This means that he spends a huge amount in the state on hotels which is the direct contribution of Tourism Development Corporation Ltd. towards the State economy. So we can conclude that if tourism development corporation would not have been developed in the state, there would have been no hotel industry which in turn our economy would have missed all that which it has got. Hence, it is only Corporation which has developed hotel industry and hotel industry besides earning a lot provides employment to a thousand of people and thereby solves unemployment problem in the State. All this results in the upliftment of the State's economy.

Impact on House-Boat Industry

House-boat industry is the next sector on which Tourism Development Corporation plays an important role for its upliftment. House boat sector is a major sector in providing accommodation to the tourists, being a luxury type of accommodation, foreigners like it too much. House-boats not only provide accommodation but also provide all the food and
other necessary facilities to the tourist. Tourist come and enjoy the house boat accommodation along with enjoying the scenery of the surrounding atmosphere and in consideration, they give some return to houseboat owners by way of accommodation and food charges. Since such spending of tourists comes under the head "Boarding and lodging", the amount of which has already been shown under the hotel industry and no separate figure are available about the spending of tourists in this particular branch. But the employment given by this industry is available which can reveal it importance for our economy and the same will be the indirect contribution of this sector towards our economy. It is revealed that up to 1998-99 the total number of house-boats in State are 885 and the persons engaged in the house-boat industry are above 8008 persons.28 Beside this the government also collects revenue from the house boat industry by way of taxes. Hence we can say that it is the Tourism Development Corporation which attracts a large number of tourists, provides facilities to them and thus benefits our States economy through its effective impact on houseboat industry.

Impact on Internal Transport

Internal transport is the other sector of our economy in which tourism plays significant role for its upliftment. Tourism without a convenient and comfortable mode of transport is not possible. A tourist has to travel by some mode in order to reach the tourist place in time. This mode of transport may be a motor car, a deluxe coach, an aeroplane, a ship or a train which enables a tourist to reach his decided place of destination. Hence there should be better and
convenient transport facilities. For this purpose the State is having internal transport in the shape of passenger buses, special deluxe coaches, air conditioned buses, special taxes, water transport taxes. It has been estimated that about 45 percent of the buses under private sector are also being utilised for tourist services. As revealed by the "tourist expenditure" tourist spends about 20.6% out of his total expenditure during his total stay of 9 and 7 days respectively.\(^{29}\) Besides this transport owned by private individuals are providing services to the tourists generate employment to a large number of persons in the State. Transport industry also given direct employment to about 25,563 persons in the State.\(^{30}\) Besides this, the government has established a separate wing of transport for tourists in the state known as JKSRTC, Srinagar where a number of people are working, some are for administration while other are for driving, money collecting, repairing and maintaining the transport and so on. In addition to this, tourists enable transporters to earn a lot and to increase an increasing trend, the number of their vehicles too have been increased. Which is due to the tremendous increase in the number of tourist transport in the state. Hence, we will come to this conclusion that tourism enables these transporters to earn a lot and helps them to survive and thus contributes a lot in surviving the Tourism Development Corporation which helps the State in enjoying with its fruits.
Impact on Restaurants and Entertainment Providing Agencies

Without any entertainment, life is sure to become a burden or one can never think about travelling or visiting to any place. It is only entertainment which can provide rest to the tired minds of tourists who are on their travel to this State. In this connection, Tourism Development Corporation is taking an active part from its inception. It has provided various such facilities which are catching the hearts of tourists and thereby they get relief from such facilities. In addition to entertainment facilities tourists are also provided with restaurant facilities by way of various dishes, etc. though tourist enjoy food facilities provided to them by hotels, house boats etc. but those who neither stay in hotel nor in house boats and are staying in saries, huts and tents or may be on travel, take their food in restaurants. In this connection, Tourism Development Corporation has constructed its own Restaurants, Clubs etc. at various places in the State besides having private restaurants and clubs and thus they are not only providing such facilities to tourists but also earn a lot and provides employment to the large sections of the people like Singers, Dancers and also other sections of the society which contributes much to our economy.

Impact on Miscellaneous

Besides over the foregoing sectors of the State, tourism plays a significant role in the development and promotion of other sectors also which later on influences our economy. It has been seen that tourist also spend some portion of their spendable income on other facilities and things such as
shopping of local goods, Photography, Cigarettes, Purchasing of our fruits, Biscuits, Flowers etc. As revealed by the "pattern of tourist expenditure", an average home tourist spends about Rs. 8.30 and foreign tourist spends about Rs. 4.90 during his total stay of 9 and 7 days respectively on the above items as well. Thus, we not only earn a lot but also employ a large number of people in above sectors which will deal with such items. This contributes sufficient for the development of our economy.  

To sum up the significance of Jammu and Kashmir Tourism Development Corporation, it can be said that it not only benefits the State directly or indirectly by providing employment, livelihood but also give a good return on our investment and acts as the wheels for the economic motor of the State. It is due to these reasons that it has occupied a prominent place in the industrial field of the State and it is the prominent and important role of this Corporation that has forced the State government to develop it on modern lines. But still there is some thing wrong which hinders the proper and efficient functioning of this Corporation. The nature of problems are such that they are known to its higher authorities, but still nothing is being done. The problems, which the Tourism Development Corporation is facing, are either in the shape of difficulties faced by the customers of the Corporation or are those faced by the suppliers itself. The problems confronted to the Corporation, which retards its proper development and thereby hinders it in playing the key role in the development of tourism of the State which is ought to play can be summed up as under.

In the last few years, militancy has exhibited a good amount of violence and killings in almost every country. India too is not an exception. Kashmir, called the 'Heaven of India', appears to be deserted on account of terrorism and violence. People from Kashmir valley have moved in a good number to safer places of refuge. The violence has also disturbed the tourists. A large number of tourists who used to visit and stay for a longer period in the Kashmir, do not tour the State of Jammu and Kashmir for fear of violence and aggression. Therefore, it is the problem and great challenge to tourist trade and needs immediate solution. Though the Central and State governments are taking all possible steps to check this menace, but no fruitful purpose has been achieved so far. If this situation continues, it will cause a great setback to the tourism industry which is the backbone of J&K economy. In fact, the Tourism Industry is such a single industry which lends strength and vitality to the economy of the J & K State. JKTDC is playing a vital role in attracting tourists by extending immense hospitality and providing basic facilities to make the tourists feel the State a home away from home.

But the infrastructure which was built from the resources of the state govt. and also at certain places with the assistance of the central govt. during past 10-12 years has crumbled down due to militancy. Most of the properties of JKTDC in
Kashmir division have been damaged either partly or fully. The properties at different tourist resorts which remained in dis-use or were occupied by security/paramilitary forces have also got extensively damaged due to lack of maintenance and intensive occupancy. Substantial investment is required to get the infrastructure back to its original shape.

Approached with a sense of urgency our infrastructure will have to be increased to double the present capacity in terms of hotel rooms, airlines seats, airports, inland transport and tele-communications. Time has come for the Central government and J&K State government to take a realistic view of the prevailing situation and draw a time bound plan for bringing improvement in the infrastructure, as the gap between what is required and what is existing is growing every day. Also, there is imperative need to bring back the State to normalcy as early as possible, as the state has already inflicted its deep impact on the volume of tourists visiting to the state.

Maximum number of tourists visited the State viz. 7.22 lakhs in the year 1988. But in '989 the number decreased to 5.57 lakhs. Table 1.1. computes the figure for over a decade of the number of domestic and foreign tourists paying visits to the state of J&K. The figures speak for themselves. The State which attracted a record no. of 7.22 lakhs of domestic and foreign tourists in 1998 started losing the tourists drastically from 1989, the year of emergence of militancy. The strength of visitors dropped to around 5.57 lakhs in 1989 as compared to 7.22 in the previous year. After 1989 the number of tourists to visit J&K is constantly decreasing. A data based survey
reveals that a total number of 7,22,035 tourists (including 67,762 foreigners) visited J & K in 1988 - eventually the highest figure in the past two decades in 1993 the number of tourists was all time low, just 8,026 toured J & K and all being foreigners.

After a gap of decade or more, tourists have started pouring in to the valley and consequently the concerned department is having a high sigh of comfort this year. According to the figures compiled by travel agents, concerned department received 2.17 lakhs tourist in 1999. A sharp revival that tourism is showing is really a good sign for the department of tourism to come up after a stagnation of 12 years.

Table: 1.1 Showing Number of Tourists Visited the State of J&K from 1988-89-1998-99.

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Foreign</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>1988</td>
<td>662.10</td>
<td>59.93</td>
<td>722.03</td>
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<tr>
<td>1989</td>
<td>490.22</td>
<td>67.76</td>
<td>557.98</td>
</tr>
<tr>
<td>1990</td>
<td>6.10</td>
<td>4.62</td>
<td>10.72</td>
</tr>
<tr>
<td>1991</td>
<td>1.40</td>
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<td>1992</td>
<td>1.18</td>
<td>9.15</td>
<td>10.33</td>
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<tr>
<td>1993</td>
<td>-</td>
<td>8.03</td>
<td>8.03</td>
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<tr>
<td>1994</td>
<td>0.50</td>
<td>9.31</td>
<td>9.81</td>
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<td>1995</td>
<td>0.32</td>
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<tr>
<td>1996</td>
<td>0.37</td>
<td>9.59</td>
<td>9.96</td>
</tr>
<tr>
<td>1997</td>
<td>7.02</td>
<td>9.11</td>
<td>16.13</td>
</tr>
<tr>
<td>1998</td>
<td>99.64</td>
<td>10.25</td>
<td>109.89</td>
</tr>
<tr>
<td>1999</td>
<td>200.16</td>
<td>17.13</td>
<td>217.29</td>
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</table>

It can safely be concluded that there is tremendous impact on the state's economy of the tourist traffic. The brief discussion, supported by the figures given in tables as well as the investigators own observation and study compels here to say that if tourism development corporation of the state is to be developed further, if the Corporation is expected to show better results, if the corporation is desired to contribute more to the state economy and if the JKTDC is proposed to become an economic instrument to tackle the problem of unemployment and to provide food to all, then the government in collaboration with the private sector should focus attention in finding out the possibilities of developing and expanding the tourism corporation. The state is virgin with lot of potentialities of tourism and the JKTDC is the instrument to exploit this potential. Until the industry is not developed to its full extent, the economic backwardness of the state can not be improved because directly or indirectly the state economy and its development to a large extent depends on the development of tourist trade.

Accordingly, the next chapter is devoted to an in depth study of the growth and development of Jammu and Kashmir Tourism Development Corporation Limited.
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