



AN OVERVIEW OF TOURISM POLICIES IN INDIA AND THE STATE OF JAMMU AND KASHMIR

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Abstract

After oil and motor vehicles, tourism industry is the third largest economic activity in the world. It is also one of the fastest growing sectors of economic activity. This sector has urged both the private sector and the government to wake up and to realize the need to study tourism and its consequences, as the number of tourists and tourism industry itself has made a tremendous growth. Tourism activities have not only generated economic benefits but have also promoted national integration and international understanding among different countries of the world. Tourism industry has also supported the local handicrafts and many cultural activities of many developing countries, India is no exception. In Indian economy tourism industry has created employment on a large scale and has also positively contributed to the foreign exchange earnings, and has emerged as one of the dominant sector of Indian economy. This paper covers the brief review of the policies of tourism industries which were mainly formed for the development of the tourism industry in the country and in the state of Jammu and Kashmir.

Key Words: *Industry, Tremendous growth, Dominant sector, Foreign Exchange.*



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Introduction: To create new international economic order tourism industry can play a vital role in this. This will help in removing the economic gap between developed and developing countries of the world. Such a new international economic order will also ensure that steady acceleration and social development will be achieved and progress to reach the less developed countries of the world. When people visit different places and make travel plans, they directly or indirectly are contributing towards the lives of millions of people who work or are associated with this industry. Service sector includes tourism industry which is the most important industry in this sector. After oil and motor vehicles, tourism industry is the third largest economic activity in the world. It is also one of the fastest growing sectors of economic activity. Tourism industry offers a more reliable source of income as it is a smoke less activity. In Indian economy tourism

industry has created employment on a large scale and has also positively contributed to the foreign exchange earnings, and has emerged as one of the dominant sector of Indian economy.

World Tourism Organization (WTO) has defined tourists as “people travelling to and staying outside their usual environment for not more than one consecutive year for leisure, business and other purposes”. One of the popular global leisure activities has become tourism. Globally international tourists have increased from 25 million in 1950 to 278 million in 1980, 674 million in 2000, 1186 million in 2015 and 1235 million in 2016. Similarly receipts of international tourism worldwide have increased from US\$ 2 billion in 1950 to US\$ 104 billion in 1980, US\$ 495 billion in 2000, US\$ 1260 billion in 2015 and 1220 billion in 2016. The major category of international trade and services is tourism industry. In addition to the receipts of the international tourism, it has also generated US\$ 211 billion in exports mainly through international passenger transport services rendered to non residents in 2015; this has brought the total value of tourism exports up to US\$ 1.5 trillion or on an average US\$ 4 billion a day. By region, Asia and the Pacific (+8%) growth led by the international tourist arrivals in 2016, fuelled by strong demand from both intra and interregional source markets. Africa (+8%) enjoyed a strong rebound after two weaker years. In the Americas (+4%) the positive momentum continued. Europe (+2%) showed rather mixed results. Demand in the Middle East (-4%) was also uneven, with positive results in some destinations. 2017 has been designated as the international year of the sustainable tourism by United Nations for development.

Objectives of the study

- To analyze the performance of tourism industry in Asia Pacific Region.
- The paper will briefly explore the tourism policies of India.
- At the same time briefly overview the policies for the development of tourism industry in the state of Jammu and Kashmir.

Methodology

The study is based upon the collection secondary data. The data was collected from various published and unpublished records of Ministry of Tourism Government of India, J&K tourism. Different sources of publications such as Magazines, journals, Internet, Research articles and Various Economic surveys.

Review of Literature

One of the fastest growing industries in the world is tourism industry as **Elliott** (1997)¹ explained. It has been observed that for many countries tourism represents a significant potential for future development, while for others it offers diversification of national economies. By this fast growing and important industry people of all occupations and at all levels are affected in one way or the other. Some researchers like **Jenkins** (1991)², **Sharpley** (2002)³ and **Kibirige** (2003)⁴ are of the view that tourism brings foreign exchange, employment and a modern way of life particularly for developing countries. This is what tourism is all about. While some other researchers like **Butler** (1992)⁵, **Hall and page** (1999)⁶, **Duffy** (2002)⁷ thought that tourism raises the specter of destruction of culture and traditional life styles. It initiates neo colonialist relationships of exploitation and causes overdependence upon a single unreliable industry. **Wall and Matheson** (2006)⁸ found that export expansion is a major factor contributing to sustained economic growth. It is necessary to transform traditional agricultural economy to industrial economy for modernization and economic development. Such transformation needs huge capital and foreign earnings and this has encouraged governments in the developing countries to treat tourism as a means of generating financial resources required for economic development. Researcher **Hall and Page** (2000)⁹ identified that in South Asian countries like India, Pakistan, Bhutan, Maldives and Nepal, the colonial rule by British had relatively helped to develop tourism resorts compared to other Asian countries. But international tourism received less consideration because it was not considered as an economic tool by the governments until 1990⁵. However South Asian countries possess a rich natural and cultural resource which helps it to be among the attractive places to visit. According to **Hall** (1997)¹⁰, “South Asia is now one of the fastest growing tourist regions of the world”.

Asia Pacific Tourism Development

Tourism; be it domestic or international it is relatively concentrated to the developed areas or to the industrialized countries of the world like USA, Europe, East Asia and Pacific. However due to the increasing disposal income of many developing and emerging economies has led to the growth and emergence of many new destinations along with the traditional ones. In 2000 over 110 million tourists visited the Asia-Pacific region, which increased to 279 million in

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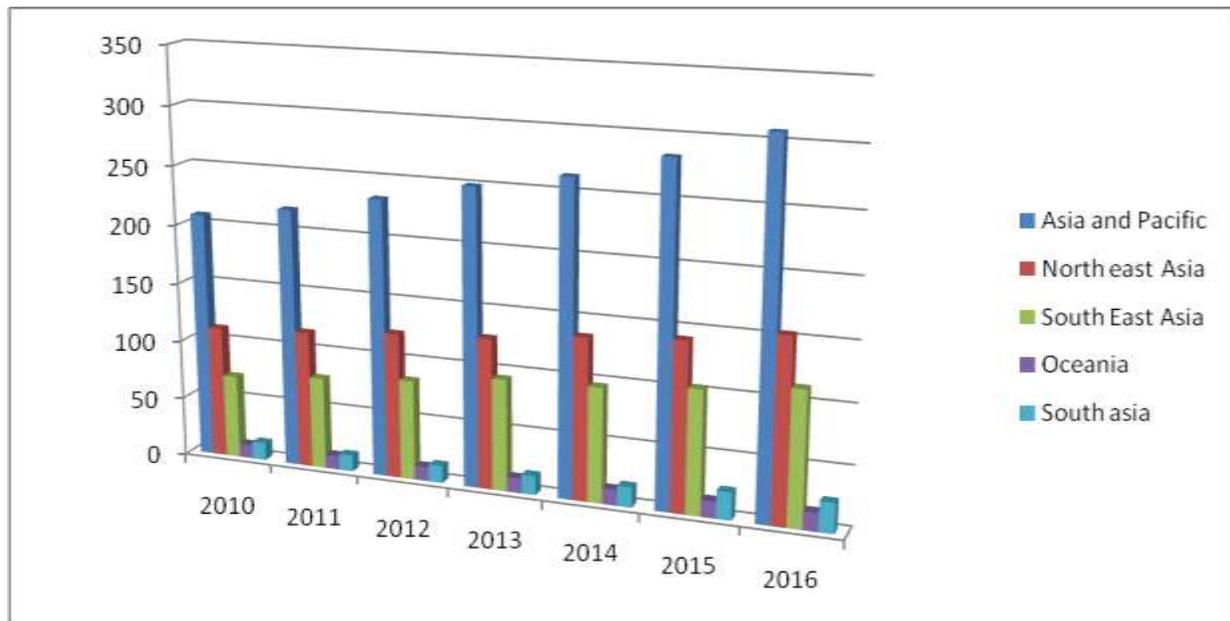
2015 a percentage growth of 6% as per **UNWTO (2016)**¹¹. Asia and the Pacific continue to be one of the fastest growing tourism regions in the world. The region is making profit from strong intra-regional demand and new emerging markets like China, South Korea, and Taiwan are increasingly taking over the tourism industry of the Asia-Pacific region. China has emerged as the fastest growing source market in recent years and the top spender in international tourism since 2012, both in Asia and the Pacific and globally. The success of inbound tourism in Asia and the Pacific region is confirmed by the growth in international tourism receipts over the period 2000-2015. The region earned USD \$418 billion in 2015. Which comprises to 33% of the world's total. This share has got doubled since 2000 which stood at 17%. The following table provides a statistical view of the international arrivals across the Asia-Pacific region.

Table 1 International tourist arrivals across Asia-Pacific regions

International tourist arrivals								
	Tourists in Millions							Average Annual Growth %age
Year	2010	2011	2012	2013	2014	2015	2016	2007-2016
Asia and the pacific	208.1	218.7	233.5	249.8	263.3	284.0	308.0	6.67%
North East Asia	111.5	115.8	122.8	127.0	136.3	142.1	154.3	5.33%
South East Asia	70.5	77.5	84.2	94.3	96.7	104.2	113.2	7.83%
Oceania	11.4	11.7	11.9	12.5	13.2	14.3	15.6	5.5%
South Asia	14.7	13.7	14.6	16.0	17.1	23.4	25.3	10.33%

Source: UNWTO, 2016

Figure 1 International tourist arrivals across Asia-Pacific regions



Source: UNWTO, 2016

Overview of Indian tourism policies

Ministry of tourism headed by the Union minister for tourism is the nodal agency for the formation of national policies and programmes that are related to tourism in India. It also coordinates the activities that are related to central government agencies, state government undertakings and the private sector for the development and promotion of tourism. The administrative head of the ministry is the secretary who also acts as the Director General (DG) of tourism. Directorate General of tourism has 13 offices overseas and 20 offices within India. There are 10 divisions into which the work of ministry is divided and are headed by either director or deputy secretary level officer. These include public sector Undertakings (PSUs), administration, publicity, division, international cooperation, market research division, overseas marketing division, hotel and restaurant division, integrated finance, travel and trade division, official language division, e-governance division, human resource development and domestic tourism division, administration and public grievances divisions.

In India the first important effort was made in 1945 to promote tourism when a committee was formed by the government under the chairmanship of Sir John Sergeant, the then

Educational Advisor to the government of India **A. G. Krishna(1993)**⁵. After this in a planned manner the development of tourism was taken into. But in actual terms the development of tourism in the country gained momentum only after 1980s. The government of India took several steps and policy initiatives for promotion and development of tourism which are listed as under:

Tourism policy of 1982

Ministry for the first time presented the tourism policy which was presented in both the houses of parliament on 3 November, 1982. The policy statement contained five main objectives of the tourism policy of the Government of India. These objectives were mainly framed for the development of tourism in the country. And these objectives were:

1. Travel is a unifying force for both national and international understanding.
2. It helps to preserve, enrich and retain the country's world view and life style, its cultural expression and heritage in all their manifestations. The prosperity that tourism brings must cause accretion and strength rather than damage to the social and cultural values and depletion of the country's natural resources.
3. It brings socio-economic benefits to the community in terms of employment opportunities, income generation, revenue generation for the states, foreign exchange earnings and in general cases human habitat improvement.
4. Both domestic and international tourism gives a proper direction and also provides opportunities to the youth of the country, so that they can meet their needs and aspirations. It thus helps to bring greater national integration and cohesion.
5. It also offers opportunities to the youth of the country not only for employment but also for taking up activities which prove helpful for nation building like sports, adventure etc.

To achieve these objectives selected travel approach and matching facilities would be provided. With regard to the marketing strategy, the policy statements suggested the necessity of exploring new markets and the development of tourist traffic from West Asia and North Africa. The policy also stressed on the need to develop a Buddhist circuit with a view to attract larger number of Buddhist travelers from East. The country is bestowed with many cultural and natural heritages which prove to be the major booster for tourism resources in the country. Conservation

by the local people of tourism assets was stressed by educating them. Another attention was given to develop backward areas having ancient monuments, natural scenery, local arts etc.

The tourism policy of 1982 also stressed the need for coordination among public-private undertakings. The centre would play a coordinating role for providing the support to the states where necessary, however it would be the responsibility of center to look after the international tourism. It was also clarified that sufficient incentives would be provided to the private sector to play a more dynamic role in the development and promotion of tourism.

National tourism policy of 1997

The main features of national tourism policy of 1997 were:

1. Identification of domestic tourism, inbound tourism and outbound tourism besides seeking to pamper domestic tourism along with inbound tourism.
2. Focus on the significance of tourism in poverty alleviation and employment generation. Nevertheless, policy acknowledges the information gap in the perception of the economic and social import of tourism.
3. In addition to spelling out an all-inclusive of tourism product, the policy emphasizes diversification of the product in the form of going for nab destinations to reinforce the main stream of cultural tourism. It further pinpoints the need for improving facilitation services.
4. The preservation and protection of natural resources, environment and ecology becomes imperative and has been incorporated as one of the main objectives of tourism development.
5. The policy supports sustainable development of tourism within the carrying capacity of the area.
6. Foreign collaboration and investment in tourism industry especially in view of the liberalization and globalization are encouraged through a package of physical and financial incentives for the setting up of new enterprises and their spreading.
7. There is need for introducing plan restrictions anti educating rile people to tone down the adverse impacts of tourism.
8. Adopt new technology greatly in the promotion of tourism
9. The policy identifies the distinct role of the Central and State governments, public sector enterprises and private sector in tourism development. The policy underlined the merit of

local governments, Non-Governmental Organizations (NGOs) and the local youth in the creation of awareness amongst people and facilities for tourists.

10. The policy centre's on creating awareness, ensuring effective co-ordination by setting up a "Board of Tourism Industry and trade" involving institutions at the grass root level for the creation of tourist facilities. Developing eco-tourism in the North- East states, implementing integrated development of tourist destinations as per carrying capacity and local aspirations and providing a package of assistance and facilitation services to domestic and foreign investors.

New tourism policy of 2002

A joint central-state government translated a tourism policy which took into action in 2002. The policy document attempted to establish the tourism's great contribution in national development and its role as an engine of growth. It suggests that tourism not only generates revenue, foreign exchange but also provides optimal use of India's scarce resources, sustainable development, understanding, national employment and stability. The policy aimed at increasing the number of domestic and international tourists and for this government proposed to diversify the Indian tourism products and substantially improve the quality of tourism infrastructure, marketing, visa arrangements and air travel. In 2002, government of India introduced a campaign "Incredible India" to attract tourists by showcasing different aspects of Indian culture and history like yoga, spirituality etc.

The campaign was conducted globally and received appreciation from tourism industry observers and travelers. However, the campaign was substantially criticized from some quarters. Some experts criticized it on its failure to cover several aspects of India which could have been attractive to the average tourist. In 2009, the Ministry of Tourism launched a campaign titled "Atithi Devo Bhava" meaning "the guest is equal to God" targeting the local population to educate them regarding good behavior and etiquettes while dealing with foreign tourists. "Atithi Devo Bhava" aimed at creating awareness about the effects of tourism and sensitizing the local population about preservation of India's heritage, culture, cleanliness and hospitality. It also attempted to re-instill a sense of responsibility towards tourists and reinforce the confidence of foreign tourists towards India as a preferred holiday destination. The concept was designed to

complement the “Incredible India” Campaign. Also to boost tourism in India “visit India 2009” campaign was put into effect, to boost the flow of tourists to India, after the terror attacks in Mumbai in 2008 as well as global economic crises. The 12th plan (2012-2017) added a new dimension to the contribution of tourism. This has highlighted the need to adopt “pro-poor tourism”, aiming at shearing the benefits with the poor.

Jammu and Kashmir tourism policy

The vision of the Jammu and Kashmir tourism policy is to make the state of Jammu and Kashmir the number one tourist destination of the country, with socio-economic development of the region. This can be achieved by capitalizing the abundant natural and human resources of the state. The state after having a clear vision has set goals:

- To regain the lost glory of famed hospitality and service making this the most sought after tourist destination of India.
- To attract high spending International tourists to visit India and this region.
- To develop optimal infrastructural facilities.
- Quicker accessibility, safer maneuverability, larger reach, excellence in hospitality and service.
- To develop tourist destination facilities of International standards.
- To move from seasonal to perennial tourism.
- To make wider usage of information technology to improve means of communication.
- To organize eco-friendly activities.
- To be the facilitator to encourage private entrepreneurship in industry.
- To develop tourism as a growth platform.

The major policy initiatives taken by government for the development of tourism in the state are, giving incentives, strengthening of public sector undertaking in Tourism, Legal and Institutional Framework, Publicity and Promotion and Increased Budget Allocation.

A) Incentives.

Tourism in Jammu and Kashmir State has been declared as an industry by the state government in 1995 and a special package of incentives has been announced for the less

developed areas of the state. This package of incentives had been extended to other areas as well. The state government grants 30 per cent capital outright investment subsidy on the fixed assets including the cost of land for new units. This subsidy is also available for expansion of the existing units but is restricted to investment made on the extension of the unit only.

The incentive policy of 1995 applicable presently categorized the tourist destinations into two types 'A' and 'B' with highest priority given to less developed areas in the state. These areas were classified as 'B' category areas and were eligible to highest benefits in the form of subsidies and tax concession. The relatively developed tourist's areas like Srinagar, Pehalgam and Gulmarg in Kashmir division and Katra in Jammu division were categorized as 'A' category areas and were eligible for the least incentives. The policy also accorded high incentives to the alternative tourism and eco-friendly activities like paying-guest-house accommodation trekking, ropeways, skiing, water sports, aero-sports and golf.

B) The Jammu and Kashmir tourist development corporation.

The Jammu and Kashmir tourism development corporation (JKTDC), though a small player in the overall tourism industry in the state has an important role in promoting the new areas where private investment is not forthcoming due to infrastructural and publicity constraints. Operations of JKTDC are geared to expand facilities of accommodation, catering services, sightseeing facilities and transport services, package tours and adventure sports.

C) Legal and institutional framework.

Among the legal and institutional framework are the Enactment of Town and Country Planning Act, Jammu and Kashmir Land Reforms Act, Agrarian Reforms Act, Municipal Committees/Corporations Act, Development Act and Jammu and Kashmir Tourists Trade Act. Every new hotel project has to obtain permission from the government of Jammu and Kashmir under the Tenancy and Land Reforms Act. It is at this stage that the permission can be withheld if the project is likely to be setup in non-priority (developed) areas. The provisions of the Tourist Trade Act require all hotels to adhere to the provisions of the prevalent local laws before being eligible for registration. The government has thus made provision to enable selection and interventions to promote the industry in a planned way.

D) Publicity and promotion.

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The publicity of the tourism destinations is presently being done in the following ways:

- Through media, printing of literature on various destinations and audio-visual publicity by the department of tourism during various occasions and events.
- Dissemination of useful information through the tourist information centers located within and outside the state.
- By the JKTDC through their hotel complexes, hutments, package tour.
- By the private sector, mostly by leading hotels, houseboats, tour operators and travel agents.

While the publicity by the department is mostly generic, limited to projection of destination and fairs festivals, the publicity by the JKTDC is area-specific. There is a need to develop coordination mechanism between the government, public sector and the private sector for the projection of better image of the state.

E) Budget and allocation.

The planners realizing the importance of the tourism, earmarked funds for the expansion of tourism infrastructure, identification of new resorts and re-origination of the industry. Since 1951 onwards special allocation were made of the tourism development under Five-Year plans as a result tourist traffic started picking up. The state government has recently made recommendations to the 13th Finance Commission during its visit to state of J&K for release of an amount of Rs.289.00 crore for future development of infrastructure and allied services in leisure tourism, pilgrim tourism, heritage tourism and adventure tourism. The recommendations also include the additional financial assistance of Rs 360.00 crore for 15 new Development Authorities and 4 old Development Authorities @ Rs 20.00 crore and Rs 15.00 crore respectively. The major requirements of the tourism envisaged to be met under 13th Finance Commission Award are as follows:-

- Development of wayside amenities.
- Creation of facilities for pilgrim tourism.
- Development of Eco parks.
- Up gradation of existing of tourist infrastructure facilities.
- Construction of tourist bungalows/TRCs/Tourist Huts.

- Conduct of event/festivals.
- Development of eco tourism projects.
- Extension of Sidhra Golf Course and up gradation of Royal Spring Golf Course Srinagar.
- Development of new Golf Course at Sonamarg and Leh.
- Providing of infrastructure such as water supply, electricity, connectivity and tourist transport facilities.
- Restoration of heritage sites and historical buildings.
- Services like solid waste management and sanitation of resorts.
- Promotion of adventure tourism by creating proper infrastructure like adventure sports centers, development of tracks, up gradation of water sports facilities, purchase of machinery and equipment.
- Providing of convention facilities.
- Providing of passenger ropeways.
- Maintenance of tourist establishments.

F) New initiatives.

Many new initiatives have been taken for making the sector more viable and purposeful. The initiatives are briefly spelt out as under:-

- 19 high powered Tourism Development Authorities created for integrated and focused development of identified areas in all three regions of the state viz; Gulmarg, Pehalgam, Sonamarg, Yousmarg, Dood pathri, Veerinag, Kokernag, Leh, Kargil, patnitop, Lakhanpur-Sarthal, Aharbal, Wullar-Manasbal, Zanaskar, Rajouri, Poonch, Bhaderwah, Kishtwar and Surinsar-Mansar.
- Master plans of the tourist destinations such as Gulmarg, Sonamarg and Bhaderwa are under Preparation.
- Stress has been laid for creation of tourist accommodation at new destination and schemes accordingly have been formulated and implemented.
- Infrastructural plans, formulated, both in the state plan and CSS, through outstanding Architects/Consulting Agencies.

- Area like Gurez, Bungus valley, Baramulla, Uri and Botapathri having good potential for tourism development are also being developed, outside the jurisdiction of development authorities.
- Major investments made on up-gradation of existing Golf course at Pehalgam and Gulmarg; and construction of a new Golf Course at Sidhra, Jammu.
- Thrust on Marketing and Publicity.
- Emphasis on external infrastructure for various destinations such as power supply, road connectivity and drinking water supply.
- Schemes prepared to develop Rural Tourism to show case rural life, art, culture and Heritage at various Tourist villages.
- Focus on maintenance and restoration of heritage sites etc.

A systematic approach has been followed over the last three years and institutionalized the working of the department in a manner that new initiatives which have started yielding the better results may not get derailed in the course of time. For every development matters a well planned strategy and policy is demanded. Without having appropriate policy for the development of any industry, it cannot work in a fruitful manner. So, it is imperative to have the policies and programmes for the growth of an industry. In this chapter tourism policy has been discussed both at the national level and Jammu and Kashmir level. Realizing the importance of tourism industry, now a day, and each government is taking serious concern of it. So India has also formulated some policies for tourism development and more specifically, the Jammu and Kashmir government had also taken the initiatives to develop its tourism industry as it is the mainstream source of income to the local economy. There was a long time disturbance in the Jammu and Kashmir state; earlier the Jammu and Kashmir government had not taken any appropriate policy for the smooth growth of the tourism industry. With the normalcy in the state, the government has formulated a suitable policy of tourism and to make all possible efforts to make the industry grow again.

Conclusion:

The policies of both India and Jammu and Kashmir are mainly aimed for the development of tourism industry in their respective areas. And to some extent they are succeeded in it. The number of tourists has increased throughout the years, as can be seen in different reports. Both domestic and international tourists are keen to visit these places. These policies have paid great impetus for the infrastructural development of the tourist places. Major investment programmes were help in these policies. And it can be summed up that the policies are being made mainly to boost the infrastructure of the state and of the country at large, so that this industry can flourish and attract tourists. More tourists mean more economic opportunities to these places. So the policies which are framed should be implemented in the best possible manner, only then these can prove successful to get the desired results.

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